

PERFECTLY
PLACED
FOR FUTURE
GROWTH



BAKKAVÖR GROUP AGM
14 March 2008
ÁGÚST GUDMUNDSSON, CEO

INCOME STATEMENT 2007

Amounts in million	ISK 2007	ISK 2006	GBP 2007	Change
Net sales	211.765	175.487	1.471	21%
Cost of sales	-163.395	-128.556	-1.135	27%
Gross profit	48.371	46.931	336	3%
Operating expenses	-32.535	-30.520	-226	7%
Share of loss in associates	-144	-144	-1	-
Operating profit (EBIT)	15.836	16.411	110	-3%
Net finance costs	-7.630	-6.766	-53	11%
Profit before tax	8.206	9.645	57	-14%
Income tax	-1.440	-2.159	-10	-35%
Profit from continuing operations	6.766	7.342	47	-8%

Exchange rate GBP/ISK 143.96

BALANCE SHEET 31 DECEMBER 2007

Amounts in million	ISK 2007	ISK 2006	GBP 2007	Change
Non-current assets	161.379	148.135	1.121	9%
Current assets	52.114	42.756	362	22%
Total assets	213.493	190.891	1.483	12%
Equity	40.165	34.694	279	15%
Non-current liabilities	116.032	103.075	806	13%
Current liabilities	57.296	52.833	398	8%
Total equity and liabilities	213.493	190.891	1.483	12%

Exchange rate GBP/ISK 143.96

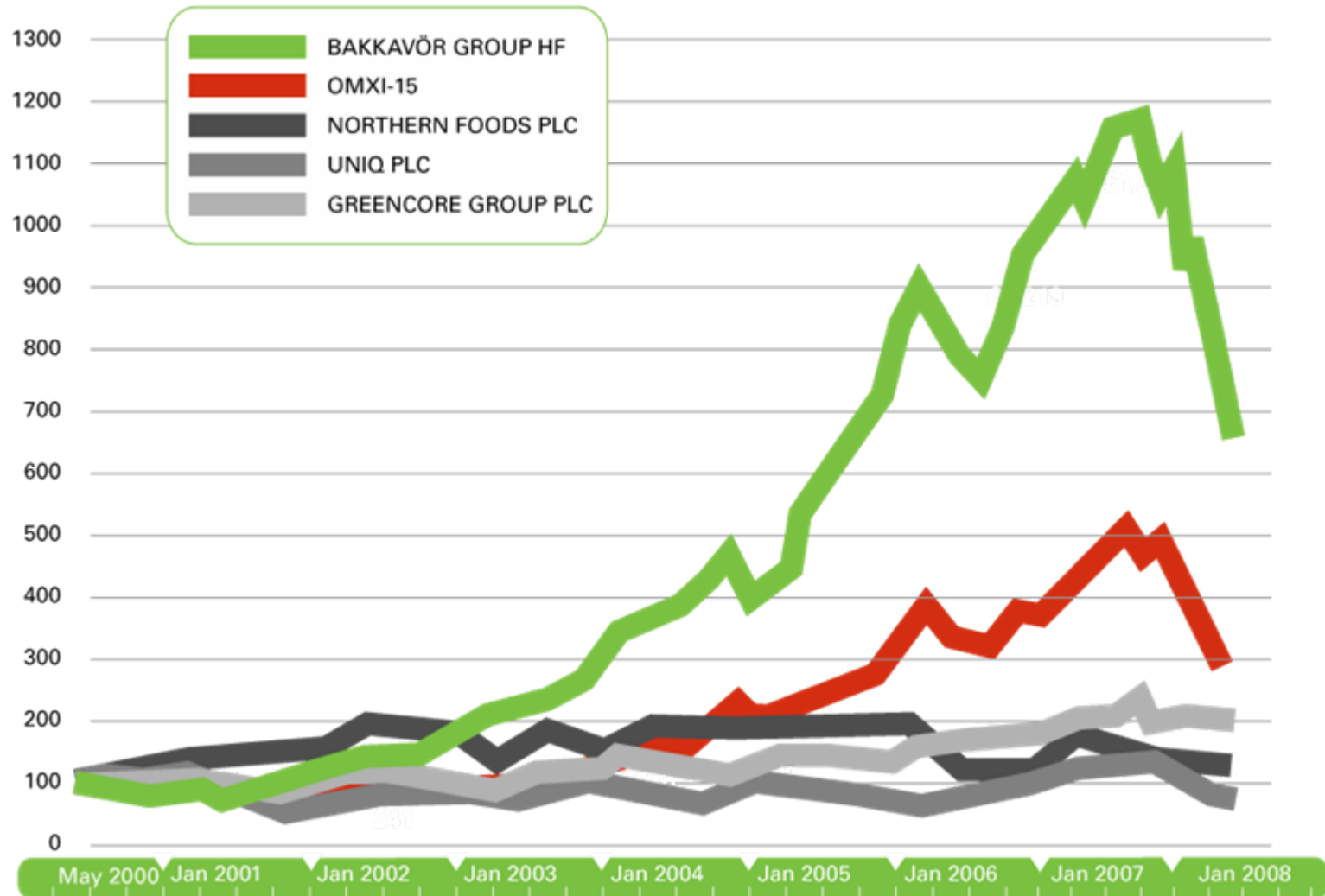
CASH FLOW 2007

Amounts in million - Key figures	ISK 2007	ISK 2006	GBP 2007	Change
Cash generated from operations	19.866	23.756	138	-17%
Payments of Interest and tax	-4.751	-4.895	-33	-1%
Cash flow from operating activities	15.116	19.003	105	-21%
Property, plant and equipment	-6.478	-5.470	-45	18%
Acquisitions, net of cash acquired	-7.342	-18.283	-51	-60%
Financing activities	3.167	-864	22	441%
Net increase (decrease) in cash	4.463	-6.046	31	174%
Free cash generated by operating activities	8.638	13.532	60	-36%

KEY RATIOS

	2007	2006	2005	2004
Current ratio	0.9	0.8	1.0	2.8
Equity ratio	18.8%	18.2%	12.4%	37.1%
EBITDA ratio	10.1%	12.1%	11.9%	18.7%
EBIT ratio	7.5%	9.3%	9.2%	16.1%
Return on equity	18.2%	37.0%	30.0%	16.4%
Earnings per share from continuing operations	2.2	2.6	2.0	0.8

SHAREPRICE PERFORMANCE 2000-2008

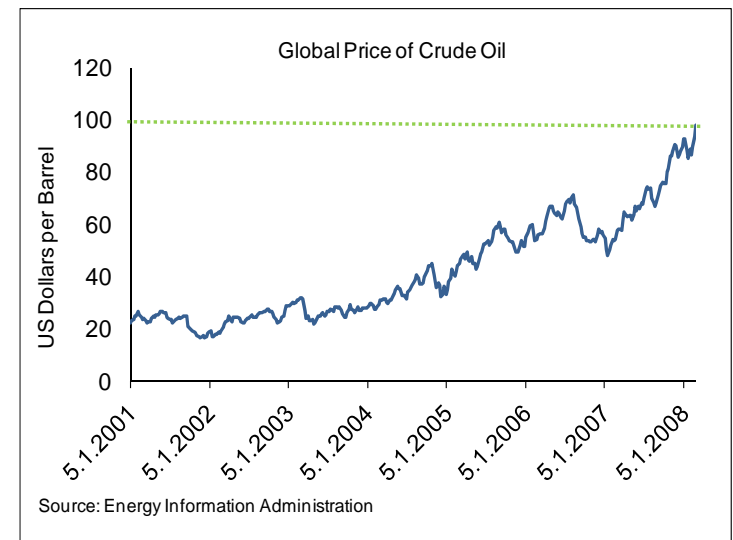
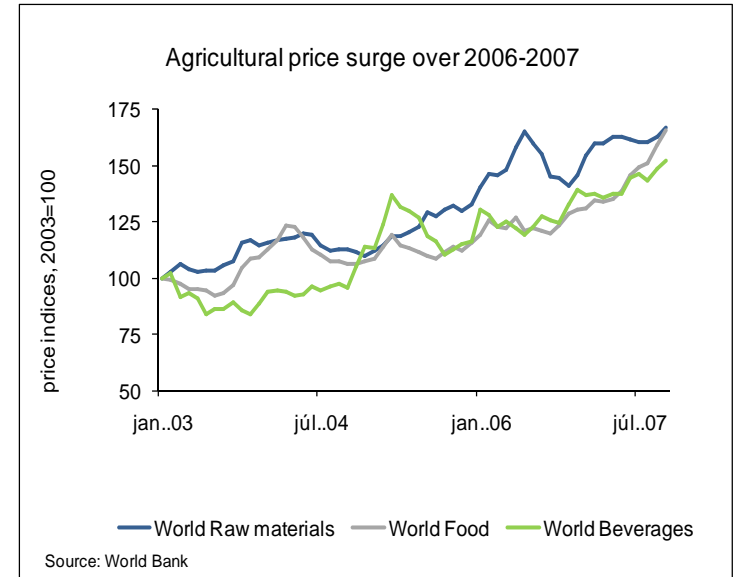


TOUGH TRADING ENVIRONMENT

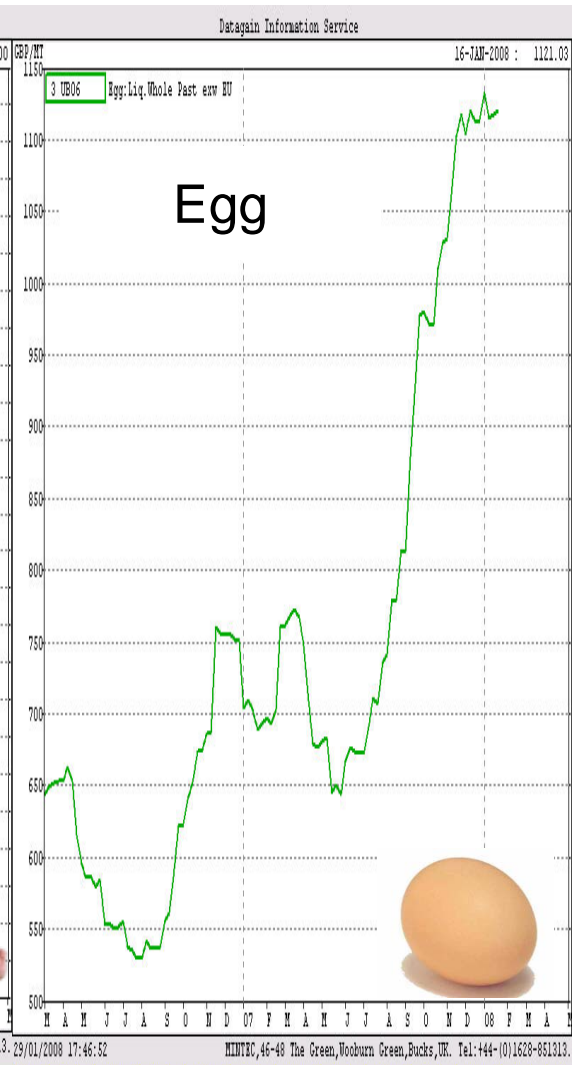
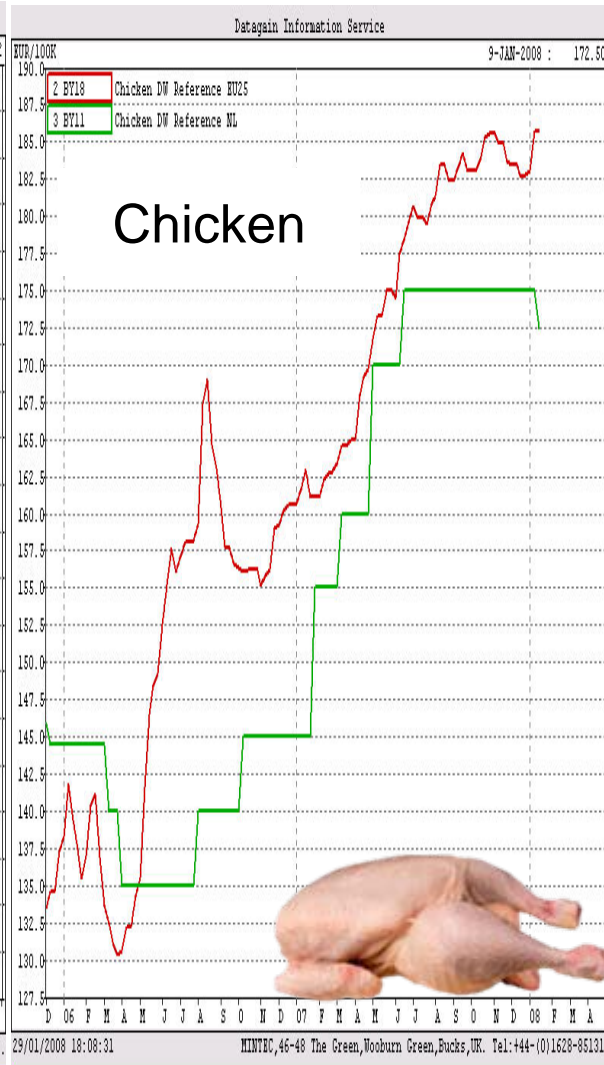
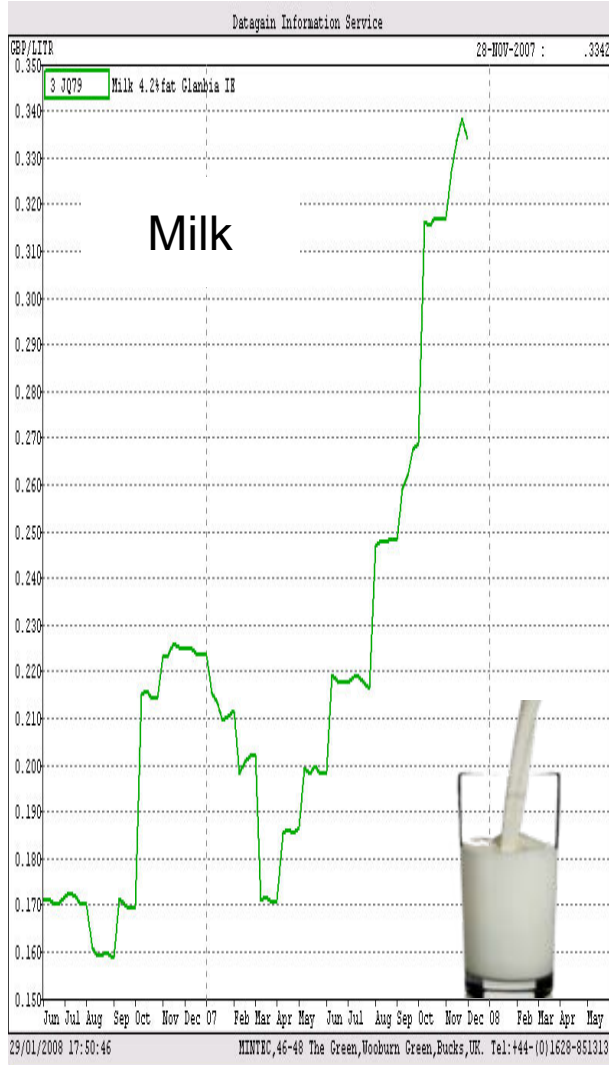
- // Steep global commodity price increases
 - Increased demand from developing countries
 - Biofuel production from food crops
 - Adverse weather in growing regions
 - Group's cost of raw materials up £30 million

- // Rising energy costs
 - Driven by increased global demand

- // Adverse weather in the UK
 - Heavy rainfall and flooding in the summer
 - Crop damage and supply shortfall
 - Affected sales of seasonal products



£30 MILLION ANNUALISED INCREASE



Bakkavör purchased

310 million

litres of milk in 2007

125 million

litres used for production of
dairy products in Iceland in
2007



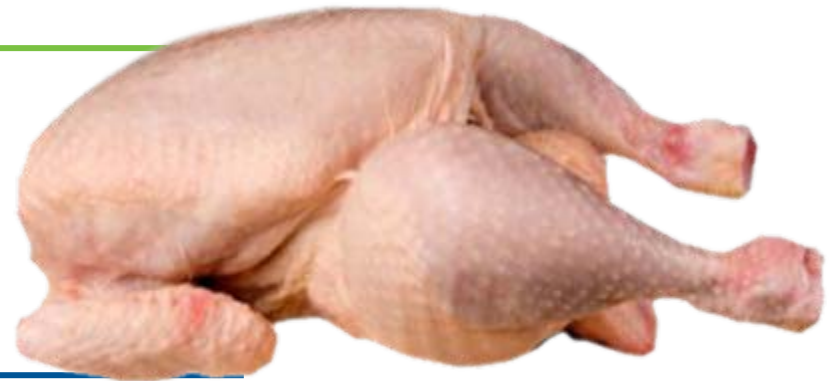
Bakkavör purchased

52 million

chickens in 2007

5 million

Yearly poultry production in
Iceland in 2007



Bakkavör purchased

9,000 tonnes

of eggs in 2007

3,000 tonnes

Yearly egg production in
Iceland in 2007



EUROPEAN ACQUISITIONS IN 2007



BAKKAVÖR GROUP TODAY

20,000
people

6,000
products

57
factories

20,000
people

9
countries

- // Sells fresh prepared foods and produce
- // Trades with 7 of the top 10 global retailers
- // Employs 20,000 people
- // Manufactures 6,000 fresh prepared food products in 17 different product categories
- // 57 factories in 9 countries
- // Turnover ISK 212 billion in 2007

We produce over

80 million pizzas a year



which equals **270** pizzas
for **each Icelander** a year

We produce over


46 million

portions of ready meals a year



**Two
meals
a day**

for each Iceland
household all year

A large, diverse crowd of people is walking down a city street, likely during a festival or parade. The street is lined with buildings and trees, and the crowd is dense, filling the entire width of the road. In the foreground, a green speech bubble with a white border contains the text: "Today, consumers spend less than 15 minutes preparing an evening meal".

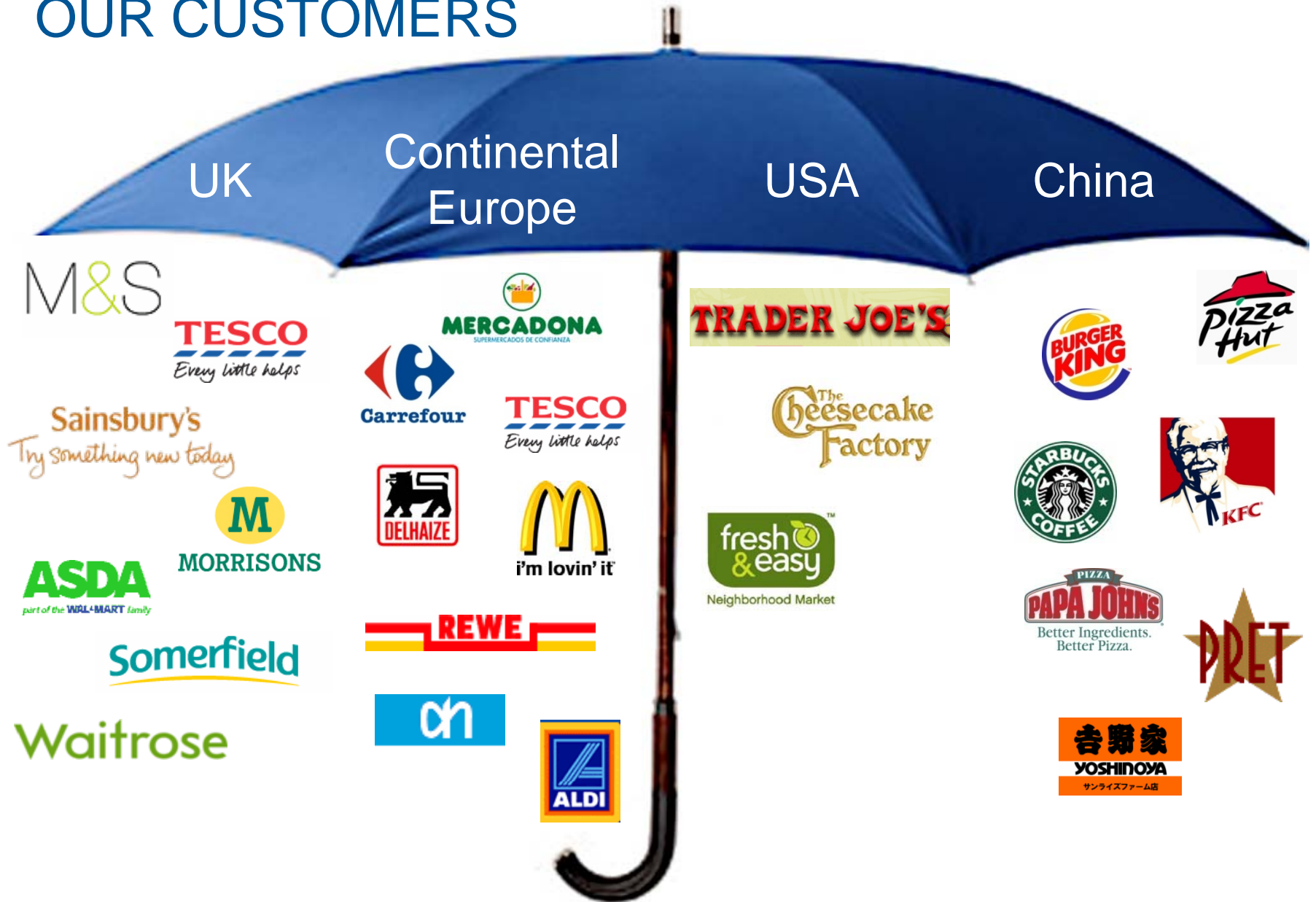
**Today, consumers
spend less than
15 minutes preparing
an evening meal**

22% predicted combined growth of European and US private label 2006-2011

We supply
7 out of the top 10
global grocery
retailers



OUR CUSTOMERS



ENTRY INTO NORTH AMERICA



 **TWO CHEFS ON A ROLL**



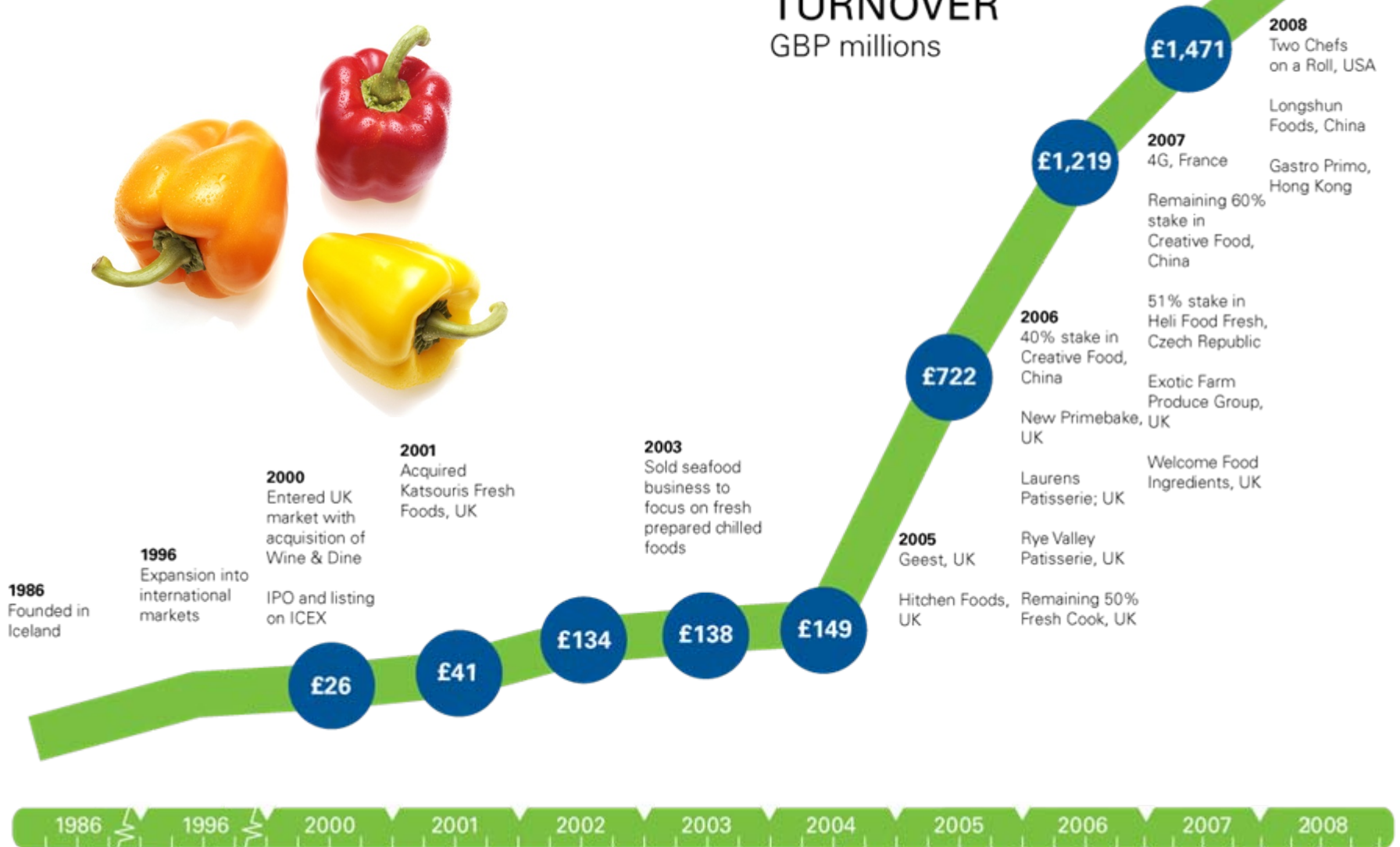
FURTHER GROWTH IN ASIA



OVER 20-YEAR TRACK RECORD



TURNOVER GBP millions



AMBITIOUS GROWTH STRATEGY

Group turnover 2007
ISK 212 billion



Group turnover 2012
ISK 500 billion

