

**22 February 2008****Atorka Group hf. — Operating results for 2007**

Atorka Group hf. has published its interim financial statements for the parent company and the group, both of which are prepared in accordance with the International Financial Reporting Standards (IFRSs). Because of the difference according to the IFRSs with respect to the preparation of financial statements for parent companies and groups, there is a difference in the performance of the Atorka parent company and the Group. Atorka Group hf. is of the opinion that investors must acquaint themselves with both sets of financial statements in order to obtain an accurate view of the Company's position.

In the financial statements for the parent company, all investments, including investments in subsidiaries, are assessed at fair value. Changes in fair value during the period are entered in the Profit and Loss Account, including changes in fair value and dividend income from subsidiaries. On the other hand, no consideration is given to the operating performance of each individual subsidiary during the period.

The consolidated accounts use the equity method and consolidated accounting, whereby the operating performance of each individual subsidiary and the performance of the parent company, excluding the fair value estimates of the subsidiaries, are combined to comprise the profit for the period.

An analysis of the difference between the performance of the parent company, on the one hand, and the Group, on the other, is provided in Note 2.1 to both sets of the financial statements.

**Annual Results 2007 of Atorka Group hf.:****Key financial indicators for the Group:**

- Atorka Group's consolidated loss after taxes totalled ISK 900 million.
- Loss in the fourth quarter totalled ISK 3.373 million.
- Earnings for 2007 totalled ISK 71.3 billion.
- The Company's total assets at the end of the year were ISK 103.7 billion.
- Equity was ISK 9 billion at the end of the year.

**Key financial indicators for the parent company:**

- After-tax profit in 2007 totalled ISK 8.141 million
- Profit after tax in the fourth quarter was ISK 1.371 million
- Total assets at the end of 2007 amounted to ISK 62.325 million, assets grew by 45% from year's end 2006.
- Equity totalled ISK 23.376 million on 31 December 2007, which is an increase of 36% from year's end 2006 ex-dividend.
- Annualised return on equity was 47%.
- The equity ratio is 38%.
- Earnings per share at year's end is 2,58

**Magnus Jonsson, CEO of Atorka Group:**

"Atorka's earnings in 2007 were good despite challenging market conditions. Atorka realized substantial profit by selling one of its investment projects. At the same time Atorka invested in a new project, Geysir Green Energy and in February 2008 we became the largest shareholder with 44% holding. Geysir is currently working on many projects in Europe, USA and Asia. Geysir has a the objective to become a world leader in the development of geothermal energy. Atorka has, to greater extant, been looking towards investment in Asia. Most recently we acquired 14% stake in Asia Environment Holdings, which is one of the leading companies in the development of waste – water treatment plants in China and other countries in Asia. With increased prosperity China is expected to invest significantly in improved quality of life and in relation to that Atorka sees investment opportunities in that field. Atorka has a strong financial profile and is therefore in a good position to take advantage of opportunities coming along in the near future."

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**Main events**

- Atorka concluded the sale of its entire holding in Jarðboranir to Geysir Green Energy. The Enterprise Value of the sale is ISK 17.7 billion. Atorka's total gain since the beginning of its investment amounts to ISK 11 billion before taxes.
- Atorka has refinanced big portion of its short-term borrowings, with new long term loans payable in 2 years or later. Only 9% of the company's long term borrowings are due in 2008.
- Atorka became a primary investor in Geysir Green Energy in August 2007, with 32% stake. In February 2008, Atorka increased its share in Geysir and became the largest shareholder with 44% stake.
- Jarðboranir made an agreement with Landsvirkjun about drilling five exploration holes next year.
- Jarðboranir founded Hekla Energy in Germany and Hekla Energy has already started drilling projects there for Exorka.
- Geysir Green Energy is the largest proprietor of geothermal licenses in Germany.
- Geysir Green Energy purchased Landsvirkjun's share in Enex and raised its stake to approximately 72%.
- Iceland America Energy, a subsidiary of Enex, is involved with many projects in the US and started to drill their first geothermal exploration well, in Truckhaven in California.
- Promens concluded refinancing in cooperation with DnB NOR, Nordea and LBNord. This capitalization ensures the company further growth and investment opportunities and enables them subsequent buy and build strategy.
- Promens acquired three additional packaging companies in 2007; Novoplast in Russia, Decoplast in France and STE packaging in Spain. Promens opened a new plant in Poland and the company is looking into further investments in Eastern Europe.
- In November, Promens consolidated its entire operations under one name.
- Atorka increased its share in Interbulk to 40% in 2007 in connection with the acquisition of UBC a leader in specialised logistics services mainly for the chemical industry.
- Atorka acquired 30% stake in Clyde Process Solution (CPS). Atorka supported CPS in its acquisition of MAC, a leading US provider of pneumatic conveying and air filtration technologies.
- Atorka's holding in Amiad Filtration Systems increased to 23%. Amiad is one of the leading producers of water filtration solutions. This market is expanding considerably.
- Atorka added a new investment within the waste-water industry by acquiring about 14% stake in Asia Environment Holdings. Asia Environment recently concluded a 200.000 m3 water-waste treatment plant in China which the company will own and run for the next 20 years. The company is also involved in the development of numerous comparable projects in Asia.
- Atorka acquired approximately 24% stake in Shanghai Century Acquisition Corp (SHA) which is listed on the AMEX stock market in New York. SHA recently invested in a structured and specialized financial leasing company in China. This market is still somewhat underdeveloped in China and offers therefore vast growth opportunities. SHA had reported the acquisition of a Chinese generic pharmaceutical company pending approval from Chinese Authorities. On 20 February 2008, SHA announced that the acquisition had been terminated.
- Atorka completed the sale of its investments in the health care sector; Icepharma, Parlogis and Ilsanta.
- All investments are reported at fair value and they are fully disclosed in the company's results. The company has a strong financial position, is well financed and has solid cash balance.

**Atorka's performance in 2007**

Atorka's after-tax profit totalled ISK 8.141million which corresponds to a 21% increase from the previous year. The profit for the fourth quarter totalled ISK 1.371 million. Profit per share was ISK 2,58 in 2007. At year-end, total assets amounted to ISK 62.325 million, having increased by 45% in 2007. Increase in assets can be explained in part with enhanced cash balance and increase in investment projects. The company's equity ratio was 38% at year-end and return on equity in 2007 was 47%.

**Investment revenues**

The revenue from investment projects totalled ISK 10.034 million in 2007 compared to ISK 9.240 million in 2006. In 2007, Atorka concluded the sale of Jarðboranir to Geysir Green Energy. Atorka realised most of its investment revenue for 2007 in that sale. Jarðboranir has grown and prospered substantially under Atorka's leadership in the past few years. All investments are reported at market value or fair value.



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### Financing

Atorka has a strong financial position with only ISK 3.349 million of borrowings payable within 2008. Atorka has ISK 10.275 million in cash or cash equivalents at year-end 2007 thus today Atorka has three times its current interest bearing borrowings. All investments are fully disclosed in the company's accounts and is therefore no investments in forward contracts or derivatives.

### Key figures from the financial statements of the Group

ISK millions	Q4 2007	Q3 2007	Q2 2007	Q1 2007	Q4 2006
Net financial income	(2,603)	(1,029)	(1,209)	(449)	(963)
Operating revenues	18,046	17,133	18,956	17,087	7,740
Operating expenses	(18,311)	(17,074)	(17,987)	(16,710)	(8,168)
Net profit or disposal group held for sale and discontinued operation	45	3,656	(309)	412	0
Goodwill					(138)
Income tax	(550)	14	(136)	119	915
<b>Profit/loss after taxes</b>	<b>(3,373)</b>	<b>2,700</b>	<b>(685)</b>	<b>459</b>	<b>(614)</b>

### Key figures from the financial statements of the Parent company

ISK millions	Q4 2007	Q3 2007	Q2 2007	Q1 2007	Q4 2006
Net financial income	(317)	1,049	2,985	3,406	1,720
Operating expenses	(272)	(158)	(181)	(296)	(122)
<b>Earnings before taxes</b>	<b>(588)</b>	<b>891</b>	<b>2,804</b>	<b>3,110</b>	<b>1,599</b>
Income taxes	1,959	(156)	200	(78)	(287)
<b>Earnings after taxes</b>	<b>1,371</b>	<b>734</b>	<b>3,004</b>	<b>3,032</b>	<b>1,312</b>

### Outlook

The outlook for Atorka's investments is good. Atorka's involvement in Geysir Green Energy is promising and Atorka sees great opportunities for value enhancement with further growth and development of the company. With the sale of Järdboranir, Atorka realised a substantial profit and freed up capital for new investments. Promens will continue to grow within selected segments with special focus on buy and build in Eastern Europe. Atorka places increased emphasis on investments in the water treatment sector but there is a rapid growth in that field especially in Asia. A long with looking for new investment opportunities Atorka intends to continue to support the build-up and expansion of the companies in its portfolio.

### Audit

Atorka's Annual results have been audited by PricewaterhouseCoopers.

### Dividend

At Atorka's Annual General meeting the Board of directors will propose that dividend payment for the year 2007 amounts to ISK 2.111 million, or 65% of the normal value of share capital, with 35% payable in Atorka shares and 30% in cash. Dividend amounts to 26% of the company's profit for 2007. Shareholders dividend at the end of Atorka's Annual General Meeting will be paid on March 31<sup>st</sup> 2008.

### Atorka's Annual General Meeting

Atorka's Annual General Meeting will be held Tuesday March 11th 2008 at 5 pm at Hilton Hotel Nordica. Atorka's Annual Report will be published on the day of the meeting.



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Atorka Group hf. Parent company's financial statement for the past four years

### Income Statement – Parent Company

ISK million	2007	2006	2005	2004
<b>Financial income</b>				
Interest income and other related financial income	827	385	388	70
Dividend income	156	1,122	206	144
Fair Value changes on investments and other financial assets	10,034	9,240	2,234	3,625
(Loss) gain on forward currency and interest rate swaps	(66)	0	0	0
<b>Financial expenses</b>				
Interest expenses	(3,827)	(1,919)	(710)	(251)
<b>Net financial income</b>	<b>7,123</b>	<b>8,829</b>	<b>2,118</b>	<b>3,587</b>
Operating expenses	(907)	(857)	(612)	(211)
Impairment of goodwill	0	0	(249)	(140)
<b>Net profit before taxes</b>	<b>6,216</b>	<b>7,972</b>	<b>1,256</b>	<b>3,236</b>
Income tax	1,924	(1,233)	235	(344)
<b>Net profit</b>	<b>8,141</b>	<b>6,739</b>	<b>1,491</b>	<b>2,892</b>

### Balance sheet – Parent Company

ISK million	2007	2006	2005	2004
<b>Assets</b>				
Goodwill	0	0	0	254
Loans and other receivables	3,071	5,035	2,238	1,124
Investment Projects	48,929	33,272	16,867	11,775
Derivative financial instruments	51	0	16	241
Cash and cash equivalents	10,275	4,721	879	3,449
<b>Total assets</b>	<b>62,325</b>	<b>43,028</b>	<b>20,000</b>	<b>16,843</b>
<b>Stockholders' equity and liabilities</b>				
Total stockholders' equity	23,376	17,226	9,744	8,969
Deferred tax liability	0	1,924	323	566
Borrowings	37,734	23,519	9,486	6,968
Trade and other payables	650	358	442	309
Derivative financial instruments	566	0	4	30
<b>Total equity and liabilities</b>	<b>62,325</b>	<b>43,028</b>	<b>20,000</b>	<b>16,843</b>

Atorka Group hf. Consolidated accounts for the past three years\*

## Income Statement – Consolidated

ISK million	2007	2006	2005
Net financial income	(5,290)	(1,560)	1,379
operating revenue	71,222	16,218	17,029
operating expenses	(70,082)	(16,850)	(17,166)
<b>Net profit/loss before tax</b>	<b>(4,151)</b>	<b>(2,193)</b>	<b>1,243</b>
Income tax	(552)	924	266
Discontinued operations	3,803	783	(19)
<b>Net profit/loss after tax</b>	<b>(899)</b>	<b>(486)</b>	<b>1,489</b>

## Balance sheet – Consolidated

ISK million	2007	2006	2005
Total assets	103,669	99,290	33,538
Total borrowings	94,605	87,018	23,598
Equity	9,064	12,272	9,940
<b>Total equity and liabilities</b>	<b>103,669</b>	<b>99,290</b>	<b>33,538</b>

\*Accounting for consolidated was first published in 2005

## Investment projects

Atorka has a portfolio of six different sectors which are: Renewable Energy, Industrial, Service, Environmental Technology, Waste-Water treatment and other investment projects. Atorka does not participate in managing its investments projects on daily basis; however we do work in close co-operation with the management team or representatives in the board of directors.



### Geysir Green Energy

Geysir Green Energy is an investment company that seeks to invests in geothermal energy companies. Atorka became primary investor in August 2007 with 32% stake but increased its holding in February 2008 and became the largest shareholder with 44% stake. Amongst Geysir's investments is Järðboranir which is one of the largest global drilling company specializing in the exploitation of earth resources and geothermal drilling in renewable energy. Other Geysir Green Energy investments are 32% stake in Hitaveita Sudurnesja hf., 72% stake in Enex, 65% stake in Exorka International, 20% stake in Western GeoPower Corporation and 33% stake in Enex China.



### Promens

Promens is a leading global plastics manufacturer operating 64 manufacturing facilities in Europe, North America and Asia. The company manufactures a wide range of products, including packaging for food, cosmetics, and pharmaceuticals and serves multiple industries such as automotive, heavy machinery and electronics industries. Promens grew considerable in 2007 and the company implemented a new organisational structure in July. Promens made three acquisitions in 2007. Promens revenue in 2008 is estimated to be about EUR 760 million, and the total number of employees is approximately 6.000. Atorka's fully diluted share is 63%.



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### Romag

Romag is a global leading company in the manufacture of specialised glass solutions especially for renewable energy. Romag has developed specialised photovoltaic glass, which utilises daylight for the production of electricity. The market for such innovative solutions is rapidly growing and so is the company's production capacity, it is projected to increase from 6MW early this year to 28MW in 2008. Romag is listed on the London Stock Exchange's AIM market. Atorka's stake is approximately 22%.



### InterBulk

InterBulk is one of the leading companies on the global market for specialized container logistical services for the chemical industry, but that industry makes a high demand for reliability. The market which InterBulk operates in has grown considerably over the past few years and this growth will continue as new economies in Eastern Europe and Asia continue to rapidly develop. The main office is in Rotterdam and the company is listed on London AIM market. Atorka Group is the largest shareholder in Interbulk, with 40% of the shares.



### Clyde Process Solutions

CPS is a world leader in the production of highly developed pneumatic conveying systems for production processes. These systems reduce costs and pollution and enhance efficiency in production processes. It is used in a number of sectors, including the production of gypsum, cement, and steel, as well as the food and chemical industry. CPS operates in every continent and is listed on the AIM stock market in London. Atorka's stake is 30%.



### Amiad

Amiad is a leader in the international market for filtering equipment and solutions. Amiad has a strong sales network and their products are obtainable all over the world. The market is expanding considerably, with increasing demand for pure water. Heightened requirements in environmental affairs will increase the growth on present and new markets over the years to come. Amiad provided equipment for the Olympic Village in Beijing. Amiad is listed on the London Stock Exchange and Atorka's stake is 23%.



### Asia Environment Holdings

Asia Environment is one of the leading fully integrated water and wastewater treatment solution providers in China. The company offers comprehensive solutions from planning and design to manufacturing and fabrication, construction, installation, operations and maintenance. The annual growth in the next 3 years is expected to be about 35%. The Chinese government has decided to invest RMB 400 billion in the construction and renovation of wastewater treatment plants in 2006-2010. The company's headquarters are in Yixing City. Asia Environment is listed on the Singapore Stock Exchange and Atorka's holding is 14%.



### Björgun

Björgun is pioneer in the construction of wharves and coastal areas in Iceland. The company builds landfills and supervises the design of both residential- and commercial buildings from the ground up, i.e. Sjaland in Gardabaer. Björgun is also the leading contractor in dredging and harbour construction; a few large projects are expected in that sector in the next few years such as harbour construction in connection with large scale industry production. Björgun is also in material processing and produces materials for the Cement factory in Iceland and some concrete plants to name a few. Atorka's holding in Björgun is 100%.



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### Financial Calendar

The proposed dates for publication of Atorka Group hf. 2008 results are as follows:

23 May	Q1 Interim results
26 August	Q2 Interim results
14 November	Q3 Interim results
20 February	Q4 Interim and annual results for 2008

### Further information can be obtained from:

Magnus Jonsson,  
Chief Executive Officer, tel: +354 540 6200

Valdis Arnardóttir  
PR & Communication Manager, tel: +354 840 6217

Atorka Group's interim financial statements can be found on the Company's website: [www.atorka.com](http://www.atorka.com)

### About Atorka Group

Atorka is an investment company that supports progressive enterprises that take advantage of worldwide developments, assisting those companies in becoming global leaders. In its investments, Atorka seeks out companies that have sound operations and strong management and possess the potential for substantial internal and external growth. The Company targets projects with considerable potential for growth and value enhancement, aiming at investments for periods of 3-5 years.



Hlíðasmári 1  
201 Kópavogur  
tel: +354 540 6200 - Fax: +354 540 6220  
E-mail: [atorka@atorka.is](mailto:atorka@atorka.is)