

Press release

Reykjavik, 31 January 2008

Bakkavör Group acquires a Chinese vegetable provider

Reykjavik, 31 January 2008, Bakkavör Group has acquired the Chinese vegetable and fruit provider, Yantai Longshun Foods. The consideration price, which remains confidential, was financed by Mizuho Corporate Bank Limited.

Longshun Foods supplies vegetables and fruit to the retail and food service markets in China. This investment allows Bakkavör Group to further support its customers' expansion in China, gives the Group access to good sourcing of high quality raw materials, broadens its product portfolio and increases its geographic coverage. The company was established in 2001 and is located in a small port of Lai Yang City, 120 km from Qingdao and employs over 240 people.

Longshun Foods will be consolidated into Bakkavör Group from the acquisition date, but the acquisition will not have a material effect on the Group's financial results.

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About Bakkavör Group

Bakkavör Group is a leading international food manufacturing company specialising in fresh prepared foods and produce. The Group operates 57 factories and employs around 20,000 people in nine 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 total, the Group makes over 4,700 products in 17 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, Spain, South Africa, China, the Czech Republic and the United States.

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