



**Press release
Reykjavík September 14th 2007**

Icelandic Group has signed a letter of intent on sale of 81% share in Icelandic Holding Germany

Icelandic Group has signed a letter of intent on sale of 81% share in Icelandic Holding Germany GmbH, the parent company of Pickenpack Hussmann & Hahn GmbH, Germany and Pickenpack Gelmer SAS, France.

The buyer of the shares is Finnbogi Baldvinsson, the CEO of Icelandic Europe. The purpose of the sale is to sharpen the focus in Icelandic Group's operation and to lower debt.

According to the letter of intent the buyer's approx. 21% of the total outstanding shares in Icelandic Group will be used as a payment for the 81% share in Icelandic Holding Germany GmbH. Icelandic Group aims to resell the treasury shares it receives, in whole or in part, to investors.

It is understood that the final agreements will be executed in the coming weeks at which time further details will be disclosed concerning the impact of the acquisition on Icelandic Group's operation and financial position.

For further information please contact:

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