

## Atorka Group hf. — Operating results for the first quarter of 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 interim financial statements.

### Results (in ISK millions):

<u>Period 01 Jan 2007 -31 Mar 2007</u>	<u>Parent company</u>	<u>Group</u>
<b>Profit and Loss Account:</b>		
Financial income	4.082	757
Interest income	291	297
Financial expenses	-967	-1.579
Net financial income	3.406	-525
Operating revenues		20.151
Operating expenses	296	19.205
Profit/Loss after taxes	3.032	459
<b>Balance Sheet:</b>		
Total assets	51.120	100.487
Total liabilities	32.661	90.170
Equity	18.459	10.318

### Chief results from the interim financial statements of Atorka Group hf.:

#### Key financial indicators for the Group:

- Atorka Group's consolidated earnings before taxes for the first three months of the year totalled ISK 459 million.
- Earnings for the first quarter totalled ISK 20.1 billion.
- The Group's total assets at the end of the period were ISK 100.5 billion.
- Equity was ISK 10.3 billion at the end of the quarter.
- EBITDA for companies in the energy and construction sector, including Jardboranir, was ISK 392 million during the period, an increase of 31% over the same period in the prior year.
- EBITDA for companies in the plastics sector, including Promens, was ISK 1,726 million during the first quarter.

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

- After-tax profit totalled ISK 3 billion during the period.
- Total assets at the end of March amounted to ISK 51.1 billion.
- Equity totalled ISK 18.5 billion at the end of the period.

- Annualised return on equity was 70%.
- The equity ratio is 36%.
- Earnings per share during the period were ISK 0.96.

## Magnús Jónsson, CEO of Atorka:

"The year has begun very well for Atorka Group, and the Company is developing in line with the emphases of the past several quarters. Changes in our investment policy have begun to bear fruit, and our investment projects have performed well. We foresee substantial growth at Jarðboranir, and in June the company will receive a new drill that will be included in operations during the latter half of the year. Promens has begun the year well, emphasising internal integration in order to build the foundation for further growth. Atorka now has representatives on the Boards of InterBulk and Clyde Process Solutions and will actively promote the continued growth of those companies."

## Chief events in the first quarter of 2007

- Promens completed the refinancing of its subsidiary Polimoon with syndicated bank facilities from DnB NOR, Nordea and LBNord. The financing guarantees that the company can continue to grow through further acquisitions.
- Atorka increased its share in InterBulk to 40% in connection with a increase in share capital and the acquisition of UTI, a leading containerised bulk transport company focusing largely on the chemical industry in Europe.
- Atorka acquired a 30% stake in Clyde Process Solutions (CPS). The purchase allows Atorka to support the company in its acquisition of MAC Equipment, a leading provider of pneumatic conveying systems in North America.
- The stake in Romag was sold to Renewable Energy Resources (RER), which then increased its holding in Romag to 22% during the quarter. Renewable Energy Resources, which is owned by Atorka Group, specialises in investments in renewable energy.
- Atorka decided to sell its companies in the healthcare sector.

## Events after the end of the period

Jarðboranir took a decisive step in its expansion strategy and purchased three high-tech German drill rigs for over ISK 6 billion. With this purchase, Jarðboranir's drilling fleet has been expanded substantially and now comprises nearly twice the drilling capacity that it had previously. The addition of this equipment marks a technological watershed for the company's operations.

Atorka has been increasing its stake in Amiad Filtration and now has a holding of over 19%. Amiad is a leader in the international market for the production of water filtration equipment. This market is expanding considerably, and the demand for clean water is likewise growing. Amiad is listed on the London Stock Exchange's AIM market.

Atorka has sold Icepharma and Parlogis.

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

ISK millions

	Q1 2007	Q4 2006	Q3 2006	Q2 2006	Q1 2006
Net financial income.....	-525	-963	-591	-1,198	829
Operating revenues.....	20,151	7,740	8,302	8,581	6,949
Operating expenses.....	-19,205	8,168	-7,899	-8,209	-6,797
Results from real estate company.....		132	219	-66	-35
Impairment of goodwill and reversal of badwill		-138			
Earnings before taxes.....	429	1,397	31	-892	946
Income taxes.....	29	916	2	90	-180
Profit/loss after taxes.....	459	-482	32	-802	766



## First quarter results — press release

23 May 2007

### Key figures from the financial statements of the parent company:

ISK millions

	Q1 2007	Q4 2006	Q3 2006	Q2 2006	Q1 2006
Net financial income.....	3,406	1,720	833	1,224	5,051
Operating expenses.....	-296	-122	-173	-182	-379
Earnings before taxes.....	3,110	1,599	660	1,042	4,671
Income taxes.....	-78	-287	-105	-186	-655
Earnings after taxes.....	3,032	1,312	555	856	4,016

### Outlook

The operational outlook for Atorka's investments is good. As has been stated previously, Promens aims at securities exchange listing during the year. The company envisions significant opportunities for advancement in the sectors where it operates, particularly in the field of reusable energy. Atorka intends to continue to support the build-up and expansion of the companies in its portfolio.

### Dividends

Atorka Group's Annual General Meeting was held on 6 March 2007. The meeting approved a proposal to pay shareholders dividends in the amount of 110% of the nominal value of share capital. 50% of the dividend was paid in cash and 60% with shares in the Company. The total dividend amounts to 50% of the Company's profit for the year 2006 and was paid on 29 March 2007, in accordance with the shareholder register as of the close of business on the date of the AGM.

### Financial calendar for 2007

The dates of publication for the next 2007 financial statements of Atorka Group hf. are as follows:

Q2: week 34  
Q3: week 47  
Q4 and annual results for 2007: week 8 of 2008

### Further information can be obtained from:

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

### 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.



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