



Nine months Results – press release

23 November 2007

Atorka Group hf. — Operating results for the first 9 months 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.

Chief Q3 results of Atorka Group hf.:

Key financial indicators for the Group:

- Atorka Group's consolidated profit after taxes for the first nine months of the year totalled ISK 2.5 billion.
- Return for the third quarter totalled ISK 2.7 billion.
- Earnings for the first nine months of the year totalled ISK 53.2 billion.
- The Group's total assets at the end of September were ISK 104.7 billion.
- Equity was ISK 13 billion at the end of September.

Key financial indicators for the parent company:

- After-tax profit totalled ISK 6.8 billion for the first nine months of the year.
- After-tax profit totalled ISK 734 million for the third quarter.
- Total assets at the end of September amounted to ISK 61.4 billion.
- Equity totalled ISK 22.9 billion at the end of the period.
- Annualised return on equity was 39%.
- The equity ratio is 37%.
- Earnings per share the first nine months 2,12

Magnús Jónsson, CEO of Atorka:

"The Group's earnings for the first nine months of the year 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 where Atorka is one of the primary investors with 32% shareholding. We believe that participating in the development of the company will offer us great return on invested capital. Geysir has a strong position in the development of geothermal energy. Atorka has, to greater extent, been looking towards investment in Asia, amongst projects are investments in the Health care sector and infrastructure. Most recently we acquired 10% stake in a company that is one of leading companies in the development of waste – water treatment plants in China. With increased prosperity China is expected to invest significantly in improved quality of life and in relation to that Atorka sees opportunities. Atorka has a strong financial position 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 Group 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 became a primary investor in Geysir Green Energy with 32% stake. The total purchase price of Atorka's stake in Geysir is just over ISK 7 billion.
- Jarðboranir recently made an agreement with Landsvirkjun about drilling five research holes next year.
- Geysir Green Energy purchased Landsvirkjun's share in Enex and raised its stake to approximately 72%.
- Purchase of approximately 24% stake in Shanghai Century Acquisition Corp (SHA) which is listed on the AMEX stock market in New York. SHA has negotiated a merger with Chinese generic pharmaceutical company Kelun Pharmaceutical, pending on approval from the Chinese Competition and Fair Trade Authority. The Chinese pharmaceutical market is rapidly growing with increased prosperity and accelerated urbanization.
- Promens acquired the production unit at STE Packaging Development of plastic cosmetic container. 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 which reinforces the company's image.
- Holding in Amiad increased to approximately 22%. Amiad Filtration Systems is one of the world's most significant producers of water filtration solutions. This market is expanding considerably, and the demand for clean water is likewise growing.
- Atorka invested in the waste-water industry by acquiring about 10% stake in Asia Environment Holdings (AEH). AEH recently concluded the infrastructure of 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 has refinanced big portion of its short-term borrowings, totalling ISK 5.5 billion, with new long term loans payable in 2 years or later. Thus today Atorka has more than five times its maturity of next 52 weeks in cash and cash equivalents.

Key figures from the financial statements of the Group:

ISK millions	Q3 2007	Q2 2007	Q1 2007	Q4 2006	Q3 2006
Net financial income.....	(1,029)	(1,029)	(525)	(963)	(851)
Operating revenues.....	17,133	18,956	20,151	7,740	13,637
Operating expenses.....	(17,074)	(17,987)	(19,205)	(8,168)	(13,034)
Net profit or disposal group held for sale and discontinued operation	3,656	(309)	8,428	0	263
				(138)	
Profit/loss after taxes.....	2,700	(685)	459	(482)	32

Key figures from the financial statements of the Parent company:

ISK millions	Q3 2007	Q2 2007	Q1 2007	Q4 2006	Q3 2006
Net financial income.....	1,049	2,985	3,406	1,720	833
Operating expenses.....	(158)	(181)	(296)	(122)	(173)
Earnings before taxes.....	891	2,804	3,110	1,599	660
Income taxes.....	(156)	(200)	(78)	(287)	(105)
Earnings after taxes.....	734	3,004	3,032	1,312	555

Atorka has a portfolio of five different sectors which are: Renewable Energy, Industrial, Service, Healthcare and Waste-Water treatment. Atorka does not control its investments on daily basis, however we do work in close co-operation with the management team or representatives in the board of directors.



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Investment projects

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, chemicals and pharmaceuticals and serves multiple industries such as food processing, chemical and medical industries, as well as the automotive, heavy machinery and electronics industries. Promens new organisational structure for the company took an effect in July. Promens has made three acquisitions this year. Promens revenue in 2007 is projected to be over EUR 700 million, and the total number of employees is approximately 6000. Fully diluted share of Atorka is 63%. Promens continues to aim listing but precise timing will be in regard to market prices.

Geysir Green Energy

Geysir Green Energy (GGE) is a company that seeks leading market opportunities in the harnessing of geothermal energy. Atorka became primary investor in August 2007 with 32% stake purchased in Geysir. Amongst Geysir's investments is Jarðboranir which is one of the largest global drilling company specializing in the exploitation of earth resources and geothermal drilling in renewable energy. Amongst other GGE's 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.

Romag

Romag is a global leading company in the manufacture of specialised photovoltaic glass, which utilises daylight for the production of electricity. The market for such innovative solutions is rapidly growing and so is the companies production capacity, it is projected to increased 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 companys on the global market for specialized container logistical services for the chemical industry, but that industry makes a high demand for reliability. InterBulk's proforma, a turnover is GBP 250 millions in 2007. The market's which InterBulk operates in have grown considerable over the past few years. 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 thread filtering equipment and solutions. Amiad provides optimal solutions for every filtration requirement serving the industrial, irrigation and municipal sectors worldwide. Amiad has a strong sales network and their products are obtainable all over the world. The marked 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 but the Chinese government has invested CNY 400 billion in the construction and renovation of wastewater treatment plants in 2006-2010. Amiad is listed on the London Stock Exchange and Atorka's stake is 22%.

Shanghai Century Acquisition Corp

Shanghai Century is a Special Purpose Acquisition Corporation (SPAC) and has currently negotiated the buy of the Chinese generic pharmaceutical company Sichuan Kelun Pharmaceutical or Kelun, provisionally pending approval from the Chinese Competition and Fair Trade Authority. Kelun is a leading corporation in manufacturing and distribution of IV solutions in China. They operate 13 manufacturing facilities in China along with 53 sales offices and the total number of employees is approximately 6.800. Kelun produces about 90 different kinds of IV solutions and their total production capacity is approximately 1, 4 billion doses a year. SHA is listed on the AMEX stock market in New York. Atorka's holding is about 24%.

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 that will be constructed in coastal areas in Iceland. 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. Bjorgun is also in material processing and produces materials for the Cement factory in Iceland and some concrete plants to name a few. Bjorgun holds third of the shares in the Cement factory and Atorka's holding in Bjorgun is 100%.



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Outlook

The outlook for Atorka's investments is good despite challenging market conditions. Promens will continue to grow within selected segments with special focus on buy and build in Eastern Europe and Asia. Atorka sees great opportunities in Geysir for value enhancement with further growth and development of the company. With the sale of Järdboranir, Atorka realized a substantial profit and freed up capital for new investments. Atorka has, in greater extent, been looking towards the Asian market for investment opportunities, in particular towards industries with huge growth potential in relation to growing prosperity. Along with looking for new investment opportunities Atorka intends to continue to support the build-up and expansion of the companies in its portfolio.

Financial Calendar

Q4 Results 2007 and annual financial statements will be published in week 8, 2008

Further information can be obtained from:

Magnús Jónsson,
Chief Executive Officer, tel: +354 540 6200

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

Atorka Group's interim financial statements can be found on the Company's website: 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.



Hlíðasmári 1
201 Kópavogur
tel: +354 540 6200 - Fax: +354 540 6220
E-mail: atorka@atorka.is