

Stoðir hf.  
Condensed Interim  
Financial Statements  
30 June 2015

Stoðir hf.  
Hátún 2B  
105 Reykjavík  
Iceland

Reg. no. 601273-0129

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# Endorsement and Statement by the Board of Directors and the CEO

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The interim financial statements comprise the financial statements of Stoðir hf. ("Stodir" or the "Company") for the period from 1 January to 30 June 2015. The Interim Financial Statements have been prepared in accordance with the Icelandic Financial Statements Act.

In the first half of the year 2015, Stodir's Management and the Board of Directors continued to maintain and support the Company's assets, with the intention of maximizing value at exit. A continued effort has also been made to reduce uncertainty in regard to risk factors, tax matters and various legal issues and court cases, as outlined in the notes to these financial statements.

In March 2015, shares in Refresco Gerber ("RG") were admitted to trading at Euronext Amsterdam. In an IPO preceding the listing, Stodir sold indirectly a 13.1% shareholding in RG. Additional 0.5% were sold under an over-allotment option in April 2015. At 30 June 2015, Stodir holds indirectly a 15.6% shareholding in RG (12,660,372 shares).

According to the income statement, profit for the first half year 2015 amounted to ISK 5,555 million. In June 2015, the Company paid out a dividend of ISK 22,104 million (EUR 150 million). According to the statement of financial position, equity at 30 June 2015 amounted to ISK 29,020 million. Three shareholders held more than 10% of voting rights at the end of June 2015. They are Glitnir hf. (and its subsidiaries Haf Funding and Íslandsbanki hf.), Arion banki hf. and Landsbankinn hf.

## **Statement by the Board of Directors and the CEO**

The Condensed Interim Financial Statements for the six months ended 30 June 2015 have been prepared in accordance with Icelandic Financial Statement Act.

According to our best knowledge, it is our opinion that the Condensed Interim Financial Statements give a true and fair view of the financial performance of the Company for the period from 1 January to 30 June 2015, its assets, liabilities and financial position as at 30 June 2015 and its cash flows for the period then ended.

On 30 June 2015, the Company's assets consist primarily of listed shares in Refresco Gerber ("RG"). The valuation of these assets at the end of June 2015 is based on closing price 30 June 2015 of the RG shares (RFRG) at Euronext Amsterdam.

Further, in our opinion, the Condensed Interim Financial Statements and the endorsement of the Board of Directors and the CEO give a fair view of the development and performance of the Company's operations and its financial position and fairly describes the principal risks and uncertainties faced by the Company, as outlined in notes to the financial statements.

The Board of Directors and the CEO have today discussed the Condensed Interim Financial Statements of Stoðir hf. for the six-month period ended 30 June 2015 and confirm them by means of their signatures.

Reykjavík, 17 September 2015.

The Board of Directors:

Sigurjón Pálsson  
Hermann Már Þórisson  
Snorri Arnar Viðarsson

CEO:

Júlíus Þorfinnsson

# Independent Auditors' Review Report

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To the Board of Stoðir hf.

We have reviewed the accompanying condensed interim financial statements of Stoðir hf., which comprise the statement of financial position as at 30 June 2015 and the income statement, statement of changes in equity and statement of cash flows for the six-month period then ended, and a summary of significant accounting policies and other explanatory notes. The Board of Directors and CEO are responsible for the preparation and fair presentation of this interim financial information in accordance with the Icelandic Financial Statements Act No. 3/2006. Our responsibility is to express a conclusion on this interim financial information based on our review.

## **Scope of Review**

We conducted our review in accordance with International Standard on Review Engagements 2410 *Review of Interim Financial Information Performed by the Independent Auditor of the Entity*. A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

## **Conclusion**

Based on our review, nothing has come to our attention that causes us to believe that the accompanying condensed interim financial information is not prepared, in all material respects, in accordance with the Icelandic Financial Statements Act.

Reykjavík, 17 September 2015.

## **KPMG ehf.**

Jón S. Helgason  
Sæmundur Valdimarsson

# Income Statement

## for the Six Months ended 30 June 2015

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		2015	2014
	Notes	1.1.-30.6.	1.1.-30.6.
<b>Net investment income:</b>			
Net income from investment securities .....		5,820,623	4,617,872
Interest income .....		6,203	28,137
Net foreign exchange gain (loss) .....		6,787	( 16,787)
		5,833,613	4,629,222
<b>Operating expenses:</b>			
Operating expenses .....		43,367	65,999
Warranty settlement .....	7	235,000	0
		278,367	65,999
<b>Profit for the period</b> .....		5,555,246	4,563,223

# Statement of Financial Position

## as at 30 June 2015

	Notes	30.6.2015	31.12.2014
<b>Assets</b>			
Cash and cash equivalents .....		2,168,131	302,407
Restricted cash .....	7	0	235,205
Restricted cash for with-held dividend .....	11	4,680,054	805,496
Investments .....	5	27,383,794	44,654,489
Loans and other receivables .....		379,852	386,997
<b>Total assets</b>		<u>34,611,831</u>	<u>46,384,594</u>
<b>Equity</b>			
Ordinary share capital .....		11,885,096	11,885,096
Statutory reserve .....		2,188,663	2,188,663
Translation reserve .....		320,264	320,264
Retained earnings .....		14,626,408	31,175,162
Total equity		<u>29,020,431</u>	<u>45,569,185</u>
<b>Liabilities</b>			
Unpaid dividend .....	11	4,680,054	805,496
Unpaid dividend income tax .....	11	902,035	0
Trade and other payables .....		9,311	9,913
Total liabilities		<u>5,591,400</u>	<u>815,409</u>
<b>Total equity and liabilities</b>		<u>34,611,831</u>	<u>46,384,594</u>

# Statement of Changes in Equity for Six Months ended 30 June 2015

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	Ordinary share capital	Statutory reserve	Translation reserve	Retained earnings	Total equity
<b>1 January to 30 June 2014</b>					
Equity 1.1.2014 .....	11,885,096	328,160	320,264	17,430,822	29,964,342
Profit for the period .....				4,563,223	4,563,223
Dividend .....				( 3,000,190)	( 3,000,190)
Equity 30.6.2014 .....	<u>11,885,096</u>	<u>328,160</u>	<u>320,264</u>	<u>18,993,855</u>	<u>31,527,375</u>
<b>1 January to 30 June 2015</b>					
Equity 1.1.2015 .....	11,885,096	2,188,663	320,264	31,175,162	45,569,185
Profit for the period .....				5,555,246	5,555,246
Dividend .....				( 22,104,000)	( 22,104,000)
Equity 30.6.2015 .....	<u>11,885,096</u>	<u>2,188,663</u>	<u>320,264</u>	<u>14,626,408</u>	<u>29,020,431</u>

# Statement of Cash Flows

## for the Six Months ended 30 June 2015

	Notes	2015 1.1.-30.6.	2014 1.1.-30.6.
<b>Cash flows from operating activities:</b>			
Profit for the year .....		5,555,246	4,563,223
Adjustments for:			
Investment securities, change .....		( 5,687,637)	( 4,640,704)
Working capital to operations .....		( 132,391)	( 77,481)
Net change in operating assets and liabilities .....		6,543	( 7,403)
Net cash used in operating activities .....		<u>( 125,848)</u>	<u>( 84,884)</u>
<b>Cash flows from investing activities:</b>			
Restricted cash, increase .....		( 3,639,353)	( 175,276)
Sale of investment securities .....		22,958,332	2,776,243
Net cash provided by investing activities .....		<u>19,318,979</u>	<u>2,600,967</u>
<b>Cash flows from financing activities:</b>			
Dividend paid .....		( 17,327,407)	( 2,194,694)
Net cash used in financing activities .....		<u>( 17,327,407)</u>	<u>( 2,194,694)</u>
<b>Net increase in cash and cash equivalents .....</b>		1,865,724	321,389
<b>Cash and cash equivalents at 1 January .....</b>		<u>302,407</u>	<u>560,138</u>
<b>Cash and cash equivalents at 30 June .....</b>		<u><u>2,168,131</u></u>	<u><u>881,527</u></u>
<b>Financing transactions without cash flow effect:</b>			
Dividend to shareholders .....	11	( 5,024,584)	( 805,496)
Unpaid dividend and dividend income tax .....	11	5,024,584	805,496



# Notes

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## 1. Reporting Entity

Stoðir hf.'s registered office is at Hátún 2B in Reykjavík, Iceland. The Condensed Interim Financial Statements of Stoðir hf. ("Stoðir" or the "Company") as at and for the six months ended 30 June 2015 comprise the Financial Statements of the Company.

Stoðir is a holding company, whose primary asset is a significant stake in Refresco Gerber, Europe's largest manufacturer of private label fruit juice and soft drinks.

## 2. Statement of compliance

These Condensed Interim Financial Statements have been prepared in accordance with Icelandic Financial Statement Act. They do not include all of the information required for full annual financial statements, and should be read in conjunction with the Financial Statements of the Company as at and for the year ended 31 December 2014.

These Condensed Interim Financial Statements were approved by the Board of Directors on 17 September 2015.

## 3. Significant accounting policies

The accounting policies and methods of computation applied by the Company in these Condensed Interim Financial Statements are the same as those applied by the Company in its Financial Statements as at and for the year ended 31 December 2014.

The Financial Statements of the Company as at and for the year ended 31 December 2014 are available for shareholders upon request from the Company's registered office at Hátún 2B, Reykjavík.

### a. Functional and presentation currency

The Condensed Interim Financial Statements are prepared in Icelandic Krona (ISK), which is the Company's functional currency. All financial information has been rounded to the nearest thousand, unless otherwise stated.

## 4. Use of estimates and judgements

The preparation of interim financial statements in conformity with Icelandic Financial Statement Act requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

## 5. Investments

Investments are specified as follows:

	<b>30.6.2015</b>	<b>31.12.2014</b>
Unlisted investments .....	0	44,654,489
Listed on stock exchanges .....	<u>27,383,794</u>	<u>0</u>
Total investments .....	<u>27,383,794</u>	<u>44,654,489</u>

**6. Financial Guarantees**

On 30 June 2015, the Company is aware of two outstanding financial guarantees, which were provided in the year 2006 in relation to lease contract made by former subsidiary of the Company. Uncertainty exists regarding the amount and the probability of the guarantees coming into effect. According to a legal opinion that the Company has obtained, the outstanding guarantees, if claims were to be declared, would fall under the approved and confirmed composition agreement of the Company from June 2009. It is estimated that the maximum number of shares needed to settle these claims, if declared, would not exceed ISK 150 million.

**7. Financial Warranty**

As a part of the transaction where a majority shareholding in Tryggingamiðstöðin hf. (TM) was sold to a group of investors in November 2012, Stodir issued a warranty to TM in regard to two legal disputes between TM and VBS investment bank. As a result of a Supreme Court ruling in December 2014, and agreements made between Stodir, TM and VBS in February 2015, the financial warranty provided to TM in 2012 has now been fully settled, with a payment of ISK 1.8 billion from Stodir in the year 2014 and 0.2 billion in 2015. Thereof, ISK 1.1 billion came from an escrow account related to the warranty. In return, Stodir has acquired certain claims and assets for estimated value of 0.6 billion. Thereof, ISK 0.35 billion is capitalized among receivables in the Statement of Financial Position at period end.

**8. Rescindable transactions**

After the completion of Stodir's composition with creditors in June 2009, the Company's new Board of Directors conducted a thorough review of the Company's transaction and operations in the years 2006-2008. With regards to the findings of the comprehensive review, the Board of Directors of Stodir made arrangements to rescind four transactions in September 2009.

All four rescindable transactions cases have been concluded, the last two in January 2015, when Stodir and Glitnir reached an agreement, where both parties agreed to drop all their claims and legal actions against each other, without any payments exchanging hands.

**9. Claim made by Glitnir Bank**

In June 2012, Glitnir hf. filed a suit before the District Court of Reykjavik against Stodir. According to the subpoena the claims made by Glitnir were as follows: 1) A rescission by court judgment of the measure taken by Glitnir in May 2008 to remove Glitnir's first lien on the shares held by Stodir in Ferskur Holding 1 B.V. and 2) that Stodir would be ordered to pay Glitnir ISK 14 billion. In January 2015, Stodir and Glitnir reached an agreement, where both parties agreed to drop all their claims and legal actions against each other, without any payments exchanging hands.

**10. VAT matters**

At the end of June 2015, the Company has two outstanding issues in regard to VAT matters, relating to the years 2006-2007. Based on a State Internal Revenue Board ruling, the Company expensed ISK 778 million in VAT charges in 2013. The Company filed a case before the District Court in Reykjavik where the State Internal Revenue Board ruling is partly challenged. The other matter relates to interest payments, where the Company claims the VAT charges should not have included penalty interest from 2006/2007. Uncertainty remains whether the Company will recover any value from these cases but downside risk is limited to legal expenses.

**11. Payment of dividend**

On the Company's AGM on 22 June 2015, shareholders approved a proposal to pay out a dividend of EUR 150 million (ISK 22 billion). Dividend payments to domestic shareholders were made on 29 June 2015, but dividend payments to foreign shareholders were with-held, since dividend payments to foreign shareholders are restricted by the Act on Foreign Exchange. On 30 June 2015, the Company holds unpaid dividend to foreign shareholders on its balance sheet, both as restricted asset and unpaid dividend in the amount of ISK 4,680 million. Thereof, ISK 558 million relate to with-held dividend in 2014, and ISK 4,122 million relate to with-held dividend in 2015.