

REDEMPTION OF SHARES IN ALFESCA HF.

Lur Berri Iceland ehf., ID no. 420409-0790, Skógarhlíð 12, Reykjavík, ("Lur Berri Iceland") and the Board of Directors of Alfesca hf., ID no. 580293-2989, Kringlan 7, Reykjavík, ("Alfesca") have decided that shareholders in Alfesca who did not accept Lur Berri Iceland's takeover bid for shares of Alfesca hf. and are not members of the Consortium concerning the control and operations of Alfesca shall be subject to redemption by Lur Berri Iceland of their shares, pursuant to Article 110, paragraph 1, of Act No. 108/2007 on Securities Transactions.

Lur Berri Iceland and members of the Consortium concerning the control and operations of Alfesca own in total 91.34% of the share capital of Alfesca and 91.87% of voting rights in the company. This redemption applies to all other shares and extends to other shareholders in Alfesca that are listed in the shareholders register at the beginning of the day of 26 August 2009. This notification is sent to those shareholders along with a share transfer form. This notification is being published in daily newspapers in accordance with Alfesca's Articles of Association on convening annual general meetings, cf. Article 110, paragraph 1, of Act No. 108/2007 on Securities Transactions.

Shareholders in Alfesca, who are subject to the redemption, are encouraged to transfer their shares in Alfesca to Lur Berri Iceland within four weeks of the date of this notification.

The redemption price is ISK 4.5 for each share in Alfesca. The shares will be paid for in cash. This is the same price that Lur Berri Iceland offered shareholders in Alfesca in its takeover bid on 25 June 2009. Payment will be made on 29 September 2009.

In order to transfer their shares in Alfesca to Lur Berri Iceland, shareholders must fill in the share transfer form accompanying this notification. The completed form must then be sent to the Corporate Advisory division of Nýi Kaupþing banki hf., Borgartún 19, 105 Reykjavík, before 12:00 p.m. (Icelandic time) on 24 September 2009.

If the shares in Alfesca have not been transferred to Lur Berri Iceland, in accordance with the above, the cash value of the Alfesca shares, will be deposited to an escrow account in the name of the respective shareholder. From that time Lur Berri Iceland will be considered the rightful owner of the shares in Alfesca, cf. Article 110, paragraph 2, of Act No. 108/2007 on Securities Transactions.

Nýi Kaupþing banki hf. is managing the redemption on behalf of Lur Berri Iceland. For further information, please contact the bank's financial consultants, tel. (+354) 444-7000.

Please note that Nýi Kaupþing banki hf. is under no obligation to assess whether the transactions related to the redemption are appropriate for the shareholders. They do not therefore enjoy the protection involved in such assessment according to Article 16 of Act No. 108/2007 on Securities Transactions. Shareholders are advised to seek specialist advice on this transaction.

Reykjavik, 26 August 2009

On behalf of Lur Berri Iceland ehf. and the Board of Directors of Alfesca hf.

Nýi Kaupþing banki hf. – Corporate Advisory

Alfesca



NÝI KAUPÞING BANKI