Investment Trends and Opportunities in Iceland and the United States

A Conference and Luncheon identifying Icelandic investment opportunities at home and abroad

Thursday, March 2nd, 9 a.m. - 2 p.m.
Millennium UN Plaza Hotel, 44th Street (Between 1 & 2 Avenue), New York, N.Y. 10017

Alcoa, Century Aluminum and Landsbanki Islands will sponsor a networking dinner on March 1st at 7 p.m. for speakers and conference guests in the Trygve Lie dining room on the 28th floor at the Millennium Hotel.

Hosted by the Icelandic-American Chamber of Commerce
Why Iceland? Why Now?

Thinking of investing in Iceland? Interested in attracting Icelandic investors to consider the U.S.? Now’s the time and this conference is the place to learn how to network with others engaged in trade between Iceland and North America.

Iceland, America’s closest European neighbor, ranks fifth in the 2006 Index of Economic Freedom, published by The Wall Street Journal and the World Heritage Foundation. It tied with the U.K., and was well ahead of 11th-ranked U.S.

What’s more, the country ranks fourth in competitiveness worldwide according to the IMD World Competitiveness Yearbook 2005, following the U.S., Hong Kong and Singapore.

Thus, it’s no wonder why foreign investors have located new plants in Iceland as well as buying into established ventures. Power-intensive industrial production, mainly focusing on metals, has led the foreign investment field to date, but growing numbers of investors are staking out opportunities in dynamic high-tech enterprises or making strategic purchases in production and services related to their own international activities. They have found an investor-friendly environment with high professional standards in all the support services that a business launch needs to rely on.

The 2006 IACC Conference is all about opportunities in this Land of the Midnight Sun – the small, pure and unspoiled country in the North Atlantic with huge incentives for U.S. businesses. Iceland’s business-friendly policies, its well educated labor force that almost universally speaks English, state-of-the-art infrastructure, and stable political system encourages trade between Iceland and North America, including Icelandic investors interested in the U.S.

Investors are discovering what tens of thousands of American visitors experience each year – Iceland is a special place with spectacular Northern Lights, glistening waterfalls, ancient geysers, purifying hot springs and spas, majestic mountains, and tempting cuisine – an impressive palette of outdoor adventure, sports, culture and food. It’s a place that gets down to business while ever mindful of the simple pleasures of life itself.
AGENDA

8:15  Registration and Breakfast  Sponsored by: Islandsbanki

9:00  Opening Remarks
Mrs. Valgerdur Sverrisdottir, Minister of Industry and Commerce, The Icelandic Ministry of Industry and Commerce

Conference Moderator: Thor Sigfusson, CEO, Sjova

Iceland Investments Abroad
Join us as we examine the reasons behind the sudden boom in Icelandic acquisitions abroad. What do Icelanders know that will help shape your investment decisions? Where are Icelanders investing and why? What is it about Icelandic culture in business and society that explains this dynamism?

The Icelandic Economic and Financial Environment:
Jon Sigurdsson, Managing Director, former President & CEO of the Nordic Investment Bank in Helsinki

Entering a new era of good growth performance
The end of the 1980s and the beginning of the 1990s mark a watershed for the Icelandic economic and financial environment. During these years fundamental economic reforms were enacted. The financial markets were opened up and interest rates freed to help balance the economy, improve resource allocation and reduce inflation. Institutional reforms provided a sound legal framework for freely operating financial markets under prudential supervision. Privatization of the state-owned banks was begun, leading to an outward oriented and continually strengthening expansion working hand in hand with Icelandic investors’ acquisitions.
abroad. Learn why the growth performance of the Icelandic economy is twice as high as the Eurozone’s for the decade 1995-2004, and more than that for the years 2005-2006. In fact, it outperformed the U.S. and the U.K. on this score for both these periods.

**Investment Opportunities in Iceland and the United States:**
Halldor Jon Kristjansson, Group Managing Director, Landsbanki Islands

**Iceland’s Hottest Sectors**
What are the strongest sectors to consider when seeking investment opportunities in Iceland? Learn about the trends in foreign direct investments that is driving the markets.

**Investing in Iceland:**
Jon Erik Reinhardsen, President, Global Primary Growth, ALCOA

**Behind the Scenes at Alcoa**
How is Alcoa’s global primary products strategy creating a win-win in Iceland? Learn how the Fjardaal smelter and its world-class operating system is yielding dramatic socio-economic benefits in East Iceland, and hear about further prospects in the North, including potential new smelter sites made possible by geothermal energy.

**Investing in Iceland:**
Logan Kruger, CEO, Century Aluminum Company

**Iceland and Century: Working Together**
Learn how Century Aluminum enjoys a mutually beneficial and powerful partnership with the country of Iceland and how its people, resources, business climate, and political stability provide many advantages.

**Investing in the United States:**
Sigurdur Oli Olafsson, President North America Sales, Actavis

Learn how the company’s start in Iceland has lead to its success, and its strategy for future growth in 2006 and beyond with the help of Six Sigma.
10:50  **Building an International Investment Firm – Transformation of the FL Group:**
Hannes Smarason, CEO, FL Group

**From Tourism to an International Investment Firm**
How do you take an Icelandic tourism company and turn it into a powerhouse for international investments? It’s all about capturing opportunities, diversifying a company and managing risk.

**Investing and Operating in Iceland and the United States:**
Jon Sigurdsson, CEO, Ossur

**Technology Drives the Orthotics and Prosthetics Market**
Join us as the head of Ossur explains the future of orthotics and prosthetics. What is Ossur’s acquisition strategy for continued growth?

**Global Niche Strategy Based on Home Markets in Iceland and Norway:**
Jon Didrik Jonsson, Managing director, Corporate and Investment Banking, ISB-Islandsbanki

**A Tradition of Innovation**
Consider the benefits of investing in the Icelandic and Nordic markets. How has the small home market created a world-renowned tradition of innovation? Learn about macro economic trends and their impact on investments into the region.

**Iceland as an Investment Platform-U.S.A.-Iceland-Europe:**
Svanbjorn Thoroddsen, Director Business Development, Straumur-Burdaras Investment Bank Ltd.

**Opportunities Grow for Private Equity**
Iceland is a transaction culture with enormous investment opportunities for private equity. Learn how Straumur, an Icelandic success story, enables and drives innovation in their investment portfolio and about Iceland as an investment platform.
The Economic Outlook in the United States:
Ed McKelvey, Vice President and Senior Economist, Goldman Sachs and Company

The U.S. Economy in 2006: In Like a Lion! Out Like a Lamb?
The U.S. economy roared into 2006 like a lion, powered by a strong consumer, business investment, and the restocking of inventories. This mix will keep growth above trend for the first half of the year.

However, the boom in housing is over. By midyear, correction in this industry is apt to force a slowdown in consumer spending. If so, then the U.S. economy will go out of 2006 like a lamb. For the Fed and its new chairman, this means a year of role reversal – more tightening early this year but some easing starting in 2007. As the financial markets anticipate this shift, the yield curve will invert.

Find out how the economy is likely to escape an outright downturn this time, while financial imbalances pose additional risks in the future.

Discussion Summary:
Olafur Johann Olafsson, Chairman of the IACC, Executive Vice President, Time Warner

2:00-4:00

Close of Formal Conference; Beginning of One on One Sessions

Sign up to meet with speakers one on one. A list of speakers available to participate in these sessions will be issued shortly before the conference. Each break-out will last 20 minutes. Advance sign-up is required; to indicate your interest in meeting with a speaker in this informal setting, send an e-mail to blax@mfa.is
About the Speakers and their Organizations

**Olafur Johann Olafsson, Chairman of the IACC, Executive Vice President, Time Warner**

Olafur Johann Olafsson has carved out an unusually impressive career as a novelist. Formerly the president of Sony Interactive Entertainment, Olafsson is currently Vice Chairman of Time Warner Digital Media ([www.timewarner.com](http://www.timewarner.com)). His novels have been published in 20 languages.

**Mrs. Valgerdur Sverrisdottir, Minister of Industry and Commerce**

Mrs. Sverrisdottir has been Minister of Industry and Commerce since late 1999. She has been a member of Parliament for the Progressive Party in the Northeast Iceland constituency since 1987, and 2nd Deputy Speaker of the Althingi (Parliament) from 1988-89 and 1990-91. Other positions have included Deputy Speaker of Parliament, Member of the Nordic Council, chair of the Icelandic parliamentary group in the Nordic Council, Progressive Party parliamentary group leader and Minister for Nordic Cooperation.

She was educated at the Reykjavík Women’s School, and attended language schools in Hamburg and London. She has been running a farm with her husband since 1974.

The Ministry of Industry deals with harnessing, transport and distribution of energy, energy sources, energy research and utilization of energy, district heating plants and electric plants, the National Energy Authority and the Energy Fund, and energy firms with governmental participation; mines and mining; industrial rights, legalization of professional titles in the field of technology and design, the Patent Office, patents, trademarks and protection of designs; industrial enterprises with governmental participation; standards and the Standards Council of Iceland; regional development, and the Institute of Regional Development.

The Ministry of Commerce focuses on trade and commerce, other than exports; sale of used moveable property, auctions of works of art and commission sales; Iceland’s relations with international economic associations and financial institutions; currency affairs, rate of exchange and money laundering; interest; financial markets, commercial banks, savings banks and other financial institutions, investment, the Invest in Iceland Agency, the New Business Venture Fund, trade in securities; competition and unfair business practices, the Competition Authority; and public and private limited-liability companies, co-operatives and other associations ([www.idnadarraduneyti.is](http://www.idnadarraduneyti.is)).
Thor Sigfusson, CEO, Sjova
Thor Sigfusson is the CEO of Sjova. He has a Master of Science degree in Economics from the University of North Carolina and is pursuing a Ph.D. in International Business from the University of Iceland. Prior to becoming the CEO of Sjóvá in 2004 he was CEO of The Iceland Chamber of Commerce, he was Vice President at the Nordic Investment Bank in Helsinki (1998-2003) and Senior adviser to the Minister of Finance in Iceland (1993-1998). Thor has written three books on Iceland and Internationalisation.

Sjova was established in 1989 through the merger of two companies. Its predecessors were Sjóvátryggingarfélag Íslands hf., established in 1918, and Almennar tryggingar hf., established in 1943 (www.sjova.is).

Jon Sigurdsson, Managing Director, former President & CEO of the Nordic Investment Bank in Helsinki
Jon Sigurdsson was President and Chief Executive Officer of the Nordic Investment Bank in Helsinki from 1994-2005. At present he is active as a financial and economic consultant. Before his appointment as head of NIB, Mr. Sigurdsson was Governor of the Central Bank of Iceland and Chairman of its Board of Governors. Prior to joining the Central Bank, Mr. Sigurdsson was a member of the Icelandic Government for six years from 1987-1993, principally as Minister of Trade, Banking, Industry and Energy. He also served as Minister of Justice. During this period he was a member of the Icelandic Parliament. Mr. Sigurdsson served for many years as Managing Director of the Icelandic Economic Institute. He was Executive Director representing the Nordic countries on the Executive Board of the International Monetary Fund in Washington D.C. from 1980-1983. Mr. Sigurdsson earned a M.Sc.(Econ.) degree from the London School of Economics in 1967 and a fil. kand. degree in economics and statistics from the University of Stockholm in 1964. He has also published a number of books and articles on economics and international relations.

The Nordic Investment Bank (NIB) is a multilateral financial institution established by Denmark, Finland, Iceland, Norway and Sweden in 1975. At the beginning of 2005, Estonia, Latvia and Lithuania joined the five Nordic founding members as owners of the Bank. NIB’s headquarters are located in Helsinki. NIB finances infrastructure and industrial cross-border investments and acquisitions of interest to its members as well as projects in developing countries, and countries in transition to a market-based economy, of mutual interest to the borrower and NIB member countries. High priority is given to environmental projects (www.nibank.org).
Halldor Jon Kristjansson, Group Managing Director, Landsbanki Islands

Landsbanki, founded in 1886, is Iceland’s oldest full-service bank. It holds the largest share of deposits in Iceland and is the country’s leader in domestic lending and the second-largest in terms of market capitalization. In addition to its full range of banking services in Iceland, Landsbanki has developed dynamic international corporate and investment banking operations. Landsbanki and its subsidiaries now have offices operating in all major financial centers of Europe, as well as representation in New York and Canada. This broad reach enables Landsbanki to provide targeted financial services based on local expertise (www.landsbanki.is).

Jon Erik Reinhardsen, President, Global Primary Growth, ALCOA
Jon Erik Reinhardsen joined Alcoa in August 2005 as President, Primary Growth, responsible for implementing major primary metal growth opportunities for the company worldwide. Jon Erik joined Alcoa from Norway-based Aker Kvaerner ASA, an international contractor within the oil, gas, chemical and polymers industry, where he served nearly 25 years in executive management positions. Prior to joining Alcoa, he was Group Executive Vice President of Aker Kvaerner located in Houston, Texas, where he was responsible for all contracting operations outside of Europe and product businesses worldwide.

Alcoa is the world’s leading producer and manager of primary aluminum, fabricated aluminum and alumina facilities, and is active in all major aspects of the industry. Alcoa serves the aerospace, automotive, packaging, building and construction, commercial transportation and industrial markets, bringing design, engineering, production and other capabilities of Alcoa’s businesses to customers. The company has 129,000 employees in 42 countries and was named one of the top three most sustainable corporations in the world at the World Economic Forum in Davos, Switzerland (www.alcoa.com).
Logan Kruger, CEO, Century Aluminum Company
Logan Kruger assumed the position of President and Chief Executive Officer of Century Aluminum Company in December 2005. He came to Century from Inco, Limited, a Canadian-based mining and metals company, which he joined in September 2003 as Executive Vice-President, Technical Services. His latest position with Inco was President, Asia/Pacific.

Prior to joining Inco, Mr. Kruger held a number of senior executive positions with Anglo American, including Chief Executive Officer of Anglo American Chile Limited, and President and Chief Executive Officer of Hudson Bay Mining & Smelting Company. He joined Anglo American’s Gold and Uranium Division in 1972. A native of South Africa, he is a graduate of Witwatersrand University, and the Management Development Program at the University of South Africa.

Century Aluminum presently owns 615,000 metric tonnes per year (mtpy) of primary aluminum capacity. The company owns and operates a 244,000 mtpy plant at Hawesville, Kentucky; a 170,000 mtpy plant at Ravenswood, West Virginia; and a 90,000 mtpy plant at Grundartangi, Iceland, that is being expanded to 220,000 mtpy. The company also owns a 49.67-percent interest in a 222,000 mtpy reduction plant at Mt. Holly, South Carolina. Alcoa Inc. owns the remainder of the plant and is the operating partner. With the completion of the Grundartangi expansion, Century’s total capacity will stand at 745,000 mtpy by the fourth quarter of 2006 (www.centuryca.com).

Sigurdur Oli Olafsson, President North America Sales, Actavis
Sigurdur Oli Olafsson is the President of Actavis US. He joined Actavis in 2003, first as Managing Director of Actavis Inc and later as Chief Executive Corporate Development. Olafsson, a pharmacist from the University of Iceland, joined Actavis from Pfizer US where he worked in Global Research and Development. Previously Olafsson served as Marketing Manager for an Actavis subsidiary, later becoming Drug Development Manager.

The Actavis Group is a leading player in the development, manufacture and sale of high-quality generic pharmaceuticals. Actavis’ recent acquisition of the generics business of Alpharma positions the company among the five leading generic pharmaceutical companies in the world, with 10,000 employees in over 30 countries. Founded in 1956, the Group now operates across five continents and has its headquarters in Iceland.
Today the Company has modern development and manufacturing facilities in Europe, the U.S. and Asia. The plants produce a variety of medicines in different formulations including tablets, capsules, injectables, suppositories, sprays, steriles, powders, oral liquids and semi solids.

An extensive network of sales and marketing offices enables effective market penetration, and positions the Company in a leading position in the largest markets for generic pharmaceutical products. Strategic acquisitions, the opening of new sales offices and intensive investment in the development of generic pharmaceuticals are fueling the growth of Actavis and have positioned the Group to take advantage of future opportunities.

The Group remains committed to leading the consolidation of a still fragmented industry through strategic acquisitions, and to driving further organic growth through innovative product launches, penetration of new markets and regulatory approvals of new generic pharmaceuticals. It continues to invest heavily in research and development and pursue a determined first-to-market strategy.

Actavis is a listed company on the Icelandic Stock Exchange Actavis, with a market capitalization over US $2 billion as of December 2005 (www.actavis.com).

**Hannes Smarason, CEO, FL Group**

Hannes Smarason has been at FL Group since 2004. He became chief executive in October 2005. Previously, he was the chairman of the board of directors of FL Group hf. from March 2004 to October 2005. Prior to that he was executive vice president and senior business officer of deCode genetics Inc. Hannes Smáráson worked with McKinsey & Co. in Boston from 1992 until December 1996 as a consultant. He received his B.S. in Mechanical Engineering and Management from the Massachusetts Institute of Technology and his M.B.A. from the Massachusetts Institute of Technology Sloan School of Management.

FL Group is an investment company, specializing in two areas of operations: Private Equity and Strategic investments, and Asset Management, where the focus is on shorter term investments. FL Group’s operating companies include Icelandair Group, FL Travel Group, Bluebird and Sterling. FL Group has a portfolio of publicly listed assets in Iceland, the UK and Scandinavia (www.flgroup.is).
Jon Sigurdsson, CEO, Ossur
Jón Sigurðsson, Össur President and Chief Executive Officer, has led the company since 1996. He was Commercial Advisor to Iceland’s Export Council in New York from 1992 to 1996 and previously CFO at Alafoss hf. (1989-1992). Mr. Sigurðsson also worked as Head of the Foreign Division of Eimskip hf (1986-1989) and in the Development Division of Bang & Olufsen AS in Denmark (1982-1984). He serves on the Boards of Directors of Reykjavík University, Alcan Iceland and the fisheries company Samherji hf. Mr. Sigurðsson has a degree in administrative technical engineering from the Technical School in Odense, Denmark, and MBA from the U.S. International University in San Diego.

Ossur (Icelandic Stock Exchange: OSSR) is as much about helping people to live a life without limitations as it is about its orthopaedic products. A trusted and global leader in the development, manufacturing, distribution, sales and marketing of bracing and support products and prosthetics, Ossur pioneers award-winning designs – including its bionic technologies (www.ossur.com).

Jon Didrik Jonsson, Managing director, Corporate and Investment Banking, ISB-Islandsbanki
Didrik Jonsson is Managing Director, Investment Banking. Prior to his appointment to the Executive Board of the Bank, Mr. Jónsson was CEO of Egils from 2001-2004 (a beverage business in Iceland), General Manager of CCHBC Slovenia 2000-2001, Commercial Director/Marketing Director CCHB Poland 1997-2000, Marketing Manager Coca-Cola Singapore/Malaysia 1995-1997, TCCC Nordic Region Business Development Manager 1994-1995, Operational Marketing Manager for Nordic & Northern European Division of TCCC 1992-1993. Mr. Jónsson holds a MIM (Management) degree from Thunderbird, Arizona, and a BSc degree in Management from the Florida Institute of Technology.

Islandsbanki (ISB) is a leading Iceland-based financial group that offers universal banking. The bank has an office in Denmark, a branch in London and is the sole owner of two banks in Norway (BNbank and KredittBanken) and one in Luxembourg. KredittBanken owns FactoNor, which is a leading West Norwegian factoring company, and the investment company Sydvestor. Íslandsbanki is listed on the Iceland Stock Exchange (www.isb.is).
Svanbjorn Thoroddsen, Director Business Development, Straumur-Burdarás Investment Bank Ltd.
Svanbjorn Thoroddsen is the Director of Business Development for Straumur-Burdarás Investment Bank Ltd. In that capacity, he works closely with the bank’s CEO on formulating the strategy of the bank, developing new businesses, and expanding the bank’s activities outside of Iceland. Prior to joining Straumur-Burdarás in 2005, Mr. Thoroddsen spent three years as the CEO of Flaga Group, a global leader in the sleep diagnostics market.

After finishing his degree in Economics at the University of Leeds in England in 1989, Mr. Thoroddsen started his career as a securities trader in Iceland and later became head of brokerage at Islandsbanki Securities. In 1987 he was appointed a managing director at FBA - the Icelandic investment Bank. He held the same position at Islandsbanki after the two banks merged in 2000 and joined Flaga Group in 2002.

Straumur-Burðarás Investment Bank Ltd. (“Straumur-Burðarás”) is the largest specialized Investment Bank in Iceland, and is the result of the merger last October between Straumur Investment Bank and the operations and selected assets of the investment company Burðarás. The merger has more than doubled Straumur-Burðarás’ equity, which stood at €1.46 billion at the end of Q3/2005 and has improved the Bank’s investment capacity in individual projects significantly. Total Assets of the merged company stood at €3.25bn at the end of Q3/2005. The post merger capital ratio is 18.1%. The merger provides an international diversification from Burðarás, which focused more on international investments.

Prior to the merger, both Straumur and Burðarás have enjoyed very quick growth. Straumur developed from its roots operating as an equity fund in the mid-1980s to become an investment company in 2001 and later an investment bank in 2004. Burðarás’ roots trace back to the shipping company Eimskip, which was founded in 1914, within which Burðarás was established as a special investment vehicle in the late 1980s. Following changes in the ownership structure of Burðarás in 2003, the company was restructured the following year into an investment company with an international focus, resulting in its fisheries and shipping operations being divested in 2004/5. The new company provides services in the Investment Banking and Corporate Banking areas in Iceland as well as abroad (www.straumur.net).
Ed McKelvey, Vice President and Senior Economist, Goldman Sachs and Company
Ed McKelvey manages the U.S. economic forecast, supports the fixed-income trading and sales forces, and advises clients of the firm on current and prospective U.S. economic developments and their implications for financial markets. At various times, Mr. McKelvey has served in an advisory capacity to the Business Council, the Congressional Budget Office, the Federal Reserve Board, and the U.S. Treasury Department.
Prior to joining Goldman in 1986, Mr. McKelvey spent three years as an economist at the Morgan Guaranty Trust Company and almost eight years on the staff of the Federal Reserve Board in Washington DC. At the Fed, he conducted and later supervised research on inflation, unemployment, productivity, and the U.S. capital markets. Mr. McKelvey received his bachelor’s degree magna cum laude from Oberlin College and his Ph.D. in economics from Yale University, and taught economics at Williams College for three years before entering government service.

Goldman Sachs is a leading global investment banking, securities and investment management firm that provides a wide range of services worldwide to a substantial and diversified client base that includes corporations, financial institutions, governments and high net worth individuals.

Founded in 1869, it is one of the oldest and largest investment banking firms. The firm is headquartered in New York and maintains offices in London, Frankfurt, Tokyo, Hong Kong and other major financial centers around the world (www.gs.com).
Registration Fee:
The conference fee is $250 and includes the networking dinner on March 1, conference material, breakfast, and lunch.

Networking Dinner, March 1 at 7 p.m.
Alcoa, Century Aluminum and Landsbanki Islands sponsor a networking dinner on March 1st at 7 p.m. for speakers and conference guests in the Trygve Lie dining room at the Millennium UN Plaza Hotel. It’s on the 28th floor.

Registration:
Please register by e-mail at blax@mfa.is or by phone 212 593 2700

Millennium UN Plaza Hotel Room Rates:
Deluxe $219 + tax
Junior suite $319 + tax
One bedroom $419 + tax
Two bedroom $519 + tax
Presidential suite $1600 + tax

Hotel Room Reservation
Consulate General of Iceland group code: ROICE (use this code when booking the room)
Tel.: 212 702 5049 (Oscar Vertiz)
E-mail: Overtiz@mill-usa.com
www.millenniumhotels.com

In order to make your booking the hotel will require arrival date, departure date, type of room to be booked and credit card number with expiration date to guarantee booking. The hotel contact is Oscar Vertiz.