



2008

INTERIM REPORT
1/1 – 30/6/2008

- The dividend-adjusted net asset value decreased by 2.6% during the period (+9.3%).
- The profit amounted to MEUR -4.1 (14.8).
- The net asset value per share was EUR 9.97 (EUR 11.08).
- EUR 0.50 per share was distributed as dividend in March 2008 (EUR 0.60).

NORVESTIA
N O R V E S T I A P L C

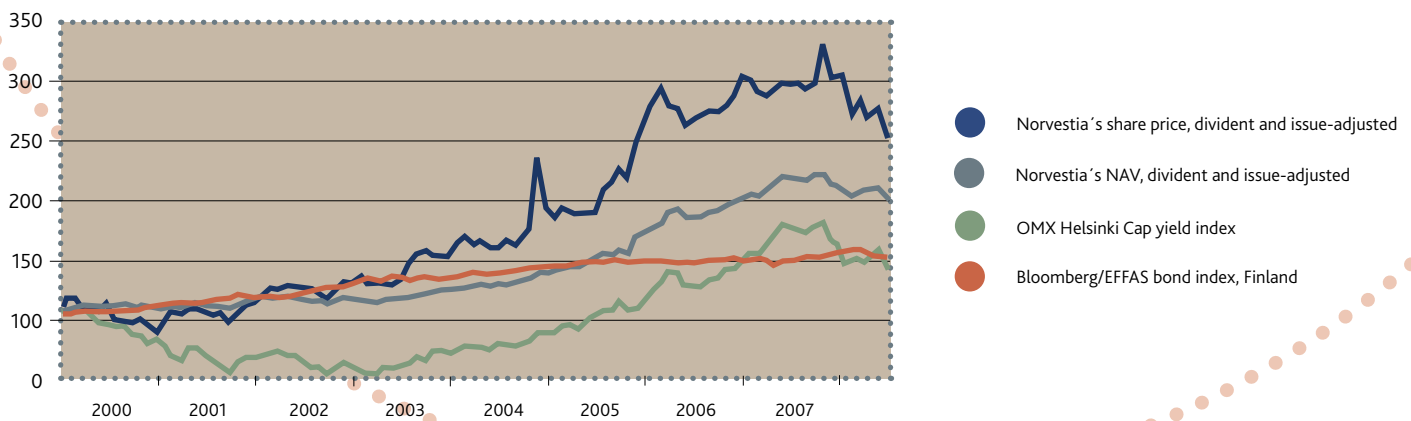
NORVESTIA IN BRIEF

- Norvestia plc is a publicly listed investment company. The Norvestia Group mainly invests in Nordic shares, equity funds, hedge funds, in the money market and in other securities.
- The aim of Norvestia's investment activities is to achieve a good risk-adjusted return.
- Norvestia plc is part of the Kaupthing Bank Group and parent company to Norvestia Industries Ltd and Norventures Ltd.

KEY FINANCIAL FIGURES

	1/1-30/6/2008	1/1-30/6/2007	1/1-31/12/2007
Earnings/share, EUR	-0.27	0.97	0.62
	30/6/2008	30/6/2007	31/12/2007
Equity ratio	96.8%	95.2%	94.9%
Shareholders' equity/share, EUR	9.97	11.08	10.74
Net asset value/share, EUR	9.97	11.08	10.74
Net asset value, MEUR	152.8	169.7	164.5
Share price, EUR B share	6.85	8.45	8.60
Number of shares	15,316,560	15,316,560	15,316,560

PERFORMANCE OF NET ASSET VALUE, SHARE PRICE AND INDICES



STOCK MARKET

The first half of the year has been particularly challenging for investors. The decline in share prices has been very steep and has affected almost all stock exchanges and sectors. Furthermore, rising interest rates have reduced the value of interest investments, hence eliminating their potential as real alternatives to equity investments. As the value of real estate investments has also been fallen, investment targets delivering a positive return have become fewer and further between. In such an operational environment gains can only really be made by selling short various assets.

The development of the Helsinki stock exchange has largely followed the development of the rest of the world's stock exchanges. With a few exceptions the prices of nearly all shares on the Helsinki stock exchange have declined from the beginning of the year. The scale of the decline becomes apparent from the fact that almost half of the shares quoted on the Helsinki stock exchange have fallen by more than 20%, and the price of every tenth share has fallen by more than 40% from the beginning of the year. In June the OMX Helsinki CAP yield index fell by 12.3%, its largest monthly drop since February 2001.

At the moment the main concern on the stock market is rising inflation combined with weakening economic growth, in other words stagflation. Particularly the European and US economies are feared to succumb to uncontrollable stagflation. Fears of runaway inflation are now real and interest rate policies of central banks may prove ineffective in the fight against inflationary pressures, at least in the short term. The increasing inflation has mainly been due to increased prices of raw materials and energy, which cannot be directly controlled by interest rate policies. The price of crude oil has risen by about 40% since the beginning of the year, which significantly increases cost pressures and negatively impacts the performance of almost all companies. It is hard to find a company or industry whose result is not at least indirectly connected to the price of energy.

The recent spate of profit warnings have mainly been due to companies' increasing costs, which firms have not been able to pass on to sales prices fast enough. This affects companies' profitability and results. So far demand has remained steady. However, if inflationary trends persist, consumer spending will be hit, leading to declines in sales. This would further weaken the future prospects of companies and have a negative effect on share prices.

Index trends on various exchanges for the first six months of 2008 have been as follows:

Finland/OMX Helsinki index	-26.1%
Finland/OMX Helsinki CAP yield index	-15.3%
Sweden/OMX Stockholm index	-20.8%
Norway/OBX index	-2.6%
Denmark/OMX Copenhagen index	-11.6%
USA/Nasdaq Composite index	-13.5%
USA/S&P 500 index	-12.8%
Bloomberg European 500 index	-19.9%
MSCI World index	-11.7%
Japan/Nikkei 225 index	-11.9%
Norvestia's dividend-adjusted share price	-14.5%
Norvestia's dividend-adjusted net asset value	-2.6%

NET ASSET VALUE AND SHARE PRICE

On June 30, 2008, Norvestia's net asset value stood at EUR 9.97 per share (EUR 11.08 per share on the same date last year) against EUR 10.74 at the end of 2007. Taking the dividend of EUR 0.50 into account, which was paid in March 2008, the Group's net asset value decreased by EUR -0.27 per share (+0.97) in the period under review, equal to a -2.6% decrease (+9.3%). During the second quarter the net asset value decreased by EUR -0.20 (+0.56) per share.

The price of Norvestia's B share stood at EUR 6.85 (8.45) on June, 30, which corresponded to a discount in net asset value of 31% (24%). The price of Norvestia's B share was EUR 8.60 at the end of year 2007.

GROUP RESULT ACCORDING TO IFRS

This interim report has been prepared in accordance with IFRS. The same accounting principles have been used in the interim report and in the 2007 financial statements. Formulas for calculating key financial figures remain the same as in the financial statements and annual report 2007. The diluted profit per share is not shown, as the company has issued no instruments with a diluting effect.

The profit of the Group for January – June 2008 amounted to MEUR -4.1 (14.8), and operating expenses to MEUR 0.8 (1.1). Profit for the second quarter was MEUR -3.0 (8.5).

INVESTMENTS BY THE PARENT COMPANY

The investment grade of Norvestia Group was 56% (68%) at the end of June. The parent company's investments were distributed as follows: direct share investments 32% (44%), equity funds 4% (7%), hedge funds 19% (16%), money market investments 40% (29%) and cash and bank 5% (4%). 86% of Norvestia plc's investments were in euros, 13% in Swedish krona and 1% in other currencies.

Norvestia's net asset value has fluctuated notably less month on month than has the stock market in general. During the first half of the year Norvestia focused its investments mainly on companies which paid good dividends. The dividend yield on the Helsinki stock exchange this spring was exceptionally high. Norvestia has protected itself against general market risk by selling index forward contracts, which has proved an effective way of reducing the volatility of the company's equity portfolio.

The share of short-term interest investments was kept relatively large, in order to ensure that the company is able to respond to changing market circumstances. In its investment activities Norvestia continuously takes advantage also of rapid price changes and overreactions on the stock market.

INDUSTRIAL INVESTMENTS

During the second quarter of 2008 Norvestia acquired, according to the initial contract, an additional 2% of the shares of planning and construction services company GSP Group, at a price of MEUR 0.1. Norvestia's stake in GSP Group grew to 23% and the value of the investment was MEUR 1.2 in June. According to the initial contract, an additional 2% will yet be purchased during the third quarter.

According to current frames about 20-30% of investment assets may be used for industrial investments, although this amount may be exceeded. These industrial investments have no time limits and will be made when the right opportunity presents itself.

NORVESTIA GROUP

Norvestia plc is a part of the Kaupthing Bank Group and is parent company to Norvestia Industries Ltd and Norventures Ltd. Norvestia's parent company Kaupthing Bank hf. is domiciled in Reykjavik, Iceland.

The Norvestia Group mainly invests in Nordic shares, equity funds, hedge funds, in the money market and in other securities. Norvestia plc's B share is quoted on the OMX Nordic Exchange Helsinki's Nordic List.

PERSONNEL AND INVESTMENTS

During the first six months of 2008, Norvestia Group employed an average of 6 people (6). No investments were made in machines or equipment (-).

SHAREHOLDERS

At the end of June 2008, Norvestia's shareholders numbered 5,955 (6,007). 33.1% of the shares were in foreign ownership (30.9%).

The largest shareholder is Kaupthing Bank with a holding of 32.7% (30.6%), which corresponds to 56.0% (54.6%) of votes. Norvestia's second largest shareholder, Sampo Life Insurance Company Ltd, had an 11.7% (11.7%) holding of shares and 7.6% (7.6%) of votes. The ten major shareholders held a total of 50.5% (47.3%) of shares and 67.6% (65.5%) of votes.

RISKS IN INVESTMENT ACTIVITIES

In addition to pursuing steady asset growth, the guiding principle of Norvestia's investment activity is to diversify investments and thereby reduce overall risk. Occasionally a significant proportion of investments may be focused on certain types of investments and securities, the negative development of which may substantially decrease Norvestia's result.

Norvestia's result is greatly affected by economic developments and changes in share prices both in Finland and abroad. Changes in exchange rates also impact the company's performance.

FUTURE PROSPECTS

The situation on the stock market remains challenging. The US dollar is still at a record low against the euro, which weakens the competitiveness of European industry. Problems in the near future will be caused by the price of energy, and especially the price of oil, breaking new records almost daily as rising costs continue to stoke inflation.

In recent months many Finnish companies have experienced severe cost pressures and have been forced to lower this year's earnings forecasts. However for the time being sales and orders remain buoyant. Interim reports to be published in the coming weeks will make interesting reading as they will give further information on how much companies' operating environments have actually weakened.

Recent declines in share prices have already brought about price irregularities on the stock market that are hard to justify analytically, and the prices of some shares have fallen well below their asset values. In the long term, prices of companies whose share price has declined only due to general uncertainty in the stock market and not because of any company specific negative news can be expected to recover. Nevertheless, gaining short-term positive returns on a generally declining stock market remains challenging. Norvestia will continue, on the basis of its market view, to also take advantage of rapid price changes on the stock market and to protect the return on its equity portfolio with derivative positions.

Norvestia will continue to make investments in the actively managed portfolio focusing mainly on value shares, i.e. shares that are offered at prices that are low, both historically and in relation to the company's net asset value and performance expectations. Norvestia will also continue to seek long-term industrial investments. Investment levels between shares, funds and interest yielding investments will be assessed as circumstances dictate.

Helsinki July 18, 2008

Board of Directors

IFRS INCOME STATEMENT, NORVESTIA GROUP

EUR 1,000	1/4-30/6/2008	1/4-30/6/2007	1/1-30/6/2008	1/1-30/6/2007	1/1-31/12/2007
Trading gains and losses	-4,261	9,686	-8,165	16,615	9,986
Personnel expenses	-198	-427	-421	-634	-963
Depreciation	-2	-3	-6	-6	-12
Other operating expenses	-204	-213	-403	-416	-834
OPERATING PROFIT/LOSS	-4,665	9,043	-8,995	15,559	8,177
Share of result in associated companies	22	-	45	-	-
Financial income and expenses	138	28	-89	47	-201
RESULT BEFORE TAX	-4,505	9,071	-9,039	15,606	7,976
Income tax*	1469	-561	4,959	-762	1,537
RESULT FOR THE FINANCIAL PERIOD	-3,036	8,510	-4,080	14,844	9,513
*Based on the result for the period					
Earnings per share, EUR	-0.20	0.56	-0.27	0.97	0.62
Number of shares, issue-adjusted	15,316,560	15,316,560	15,316,560	15,316,560	15,316,560

IFRS BALANCE SHEET, NORVESTIA GROUP

EUR 1,000	30/6/2008	30/6/2007	31/12/2007
Assets			
NON-CURRENT ASSETS			
Tangible assets	26	38	33
Investments in associated companies	1,238	-	1,126
	1,264	38	1,159
CURRENT ASSETS			
Financial assets held for trading	47,358	74,565	71,481
Other financial assets designated at fair value through P/L	41,830	42,285	39,724
Available-for-sale investments	1,800	1,730	1,800
Receivables	4,544	5,613	345
Cash at bank and in hand	61,084	54,068	58,742
	156,616	178,261	172,092
	157,880	178,299	173,251
Shareholders' equity and liabilities			
SHAREHOLDERS' EQUITY			
Share capital	53,608	53,608	53,608
Share premium	6,896	6,896	6,896
Fair value reserve	83	-	83
Retained earnings	96,244	94,390	94,390
Result for the financial period	-4,080	14,844	9,513
	152,751	169,738	164,490
DEFERRED TAX LIABILITY	4,077	8,020	5,280
CURRENT LIABILITIES	1,052	541	3,481
	157,880	178,299	173,251

IFRS CASH FLOW STATEMENT, NORVESTIA GROUP

EUR 1,000

1/4-30/6/2008 1/4-30/6/2007 1/1-30/6/2008 1/1-30/6/2007 1/1-31/12/2007

CASH FLOW FROM OPERATING ACTIVITIES	1/4-30/6/2008	1/4-30/6/2007	1/1-30/6/2008	1/1-30/6/2007	1/1-31/12/2007
Result before tax	-4,505	9,071	-9,039	15,606	7,976
Adjustments:					
Operations which do not include cash transactions	1,532	-1,574	4,614	-1,964	8,357
	-2,973	7,497	-4,425	13,642	16,333
Changes in working capital					
Change in shares and other investments	11,394	7,618	17,387	-5,698	-10,262
Change in receivables	2,901	6,929	-50	-5,432	-166
Change in current liabilities	-3,321	-3,746	-2,238	-949	1,393
	10,974	10,801	15,099	-12,079	-9,035
Received and paid taxes	-257	154	-584	-859	-794
CASH FLOW FROM OPERATING ACTIVITIES	7,744	18,452	10,090	704	6,504
CASH FLOW FROM INVESTING ACTIVITIES					
Aquisition of shares in associated companies	-90	-	-90	-	-1,126
CASH FLOW FROM INVESTING ACTIVITIES	-90	-	-90	-	-1,126
CASH FLOW FROM FINANCING ACTIVITIES					
Dividends paid	-	-	-7,658	-9,190	-9,190
CASH FLOW FROM FINANCING ACTIVITIES	-	-	-7,658	-9,190	-9,190
CASH FLOW FOR THE PERIOD	7,654	18,452	2,342	-8,486	-3,812
Liquid assets at the beginning of the period	53,430	35,616	58,742	62,554	62,554
Liquid assets at the end of the period	61,084	54,068	61,084	54,068	58,742
Increase or decrease in liquid assets	7,654	18,452	2,342	-8,486	-3,812

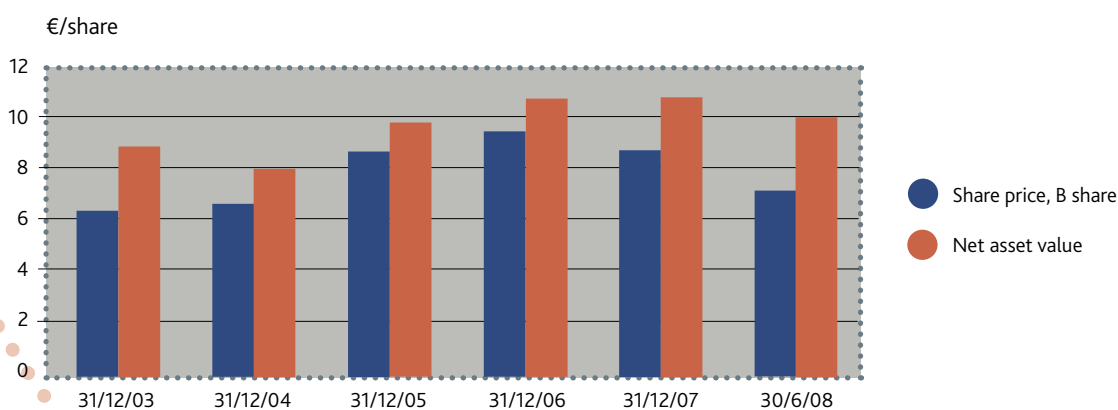
CHANGES IN SHAREHOLDERS' EQUITY, NORVESTIA GROUP

EUR 1,000	Share capital	Share premium	Fair value reserve	Retained earnings	Result for the period	Total
Opening balance 1/1/2007	53,608	6,896	0	80,122	23,458	164,084
Allocations				23,458	-23,458	0
Dividends				-9,190		-9,190
Result for the period					14,844	14,844
Closing balance 30/6/2007	53,608	6,896	0	94,390	14,844	169,738
Opening balance 1/1/2008	53,608	6,896	83	94,390	9,513	164,490
Allocations				9,513	-9,513	0
Dividends				-7,659		-7,659
Result for the period					-4,080	-4,080
Closing balance 30/6/2008	53,608	6,896	83	96,244	-4,080	152,751

NET ASSET VALUE, NORVESTIA GROUP

MEUR	30/6/2008	30/6/2007	31/12/2007		
ASSETS					
NON-CURRENT ASSETS					
Tangible assets	0.0	0.0	0.0		
Investments in associated companies	1.2	-	1.1		
CURRENT ASSETS					
Shares held for trading	47.4	74.6	71.5		
Other financial assets at fair value	41.9	42.3	39.8		
Other investments	1.8	1.7	1.8		
Cash and receivables	65.6	59.7	59.1		
ASSETS IN TOTAL	157.9	178.3	173.3		
Current liabilities	-1.0	-0.6	-3.5		
Deferred tax liability	-4.1	-8.0	-5.3		
NET ASSET VALUE	152.8	169.7	164.5		
Net asset value/share, EUR	9.97	11.08	10.74		
Change in NAV, dividend-adjusted	1/4-30/6/2008	1/4-30/6/2007	1/1-30/6/2008	1/1-30/6/2007	1/1-31/12/2007
Change, MEUR	-3.0	8.5	-4.1	14.8	9.6
Change per share, EUR	-0.20	0.56	-0.27	0.97	0.63

SHARE PRICE AND NET ASSET VALUE, ISSUE-ADJUSTED



PRINCIPLES FOR CALCULATION

Publicly listed shares, investment funds and derivatives have been measured at closing price. In case a closing price has been unavailable, the purchase quotation has been used. Unlisted shares have been measured at fair value using various valuation methods.

OBLIGATIONS

	30/6/2008	30/6/2007	31/12/2007
Pledges, MEUR			
As security for the limit of the cheque account, MEUR 0.0 (MEUR 2.0)			
Shares at market value	-	6.7	5.0
Other obligations			
Investment commitment in Sponsor Fund Ky	-	0.3	-

DERIVATIVES

Norvestia has used standardized derivatives to make the portfolio management more effective. The market values of the derivatives as well as the underlying values are given in the table below. The market values have been adjusted for the corresponding share's dividend income. All amounts are gross amounts. The derivative contracts are recognised at fair value and changes are therefore recorded in the income statement. Hedge accounting has not been used.

	30/6/2008	30/6/2007	31/12/2007
Stock derivatives, EUR 1,000			
Bought call options, open positions			
Underlying value	-	3,283	-
Market value	-	142	-
Index derivatives, EUR 1,000			
Bought call options, open positions			
Underlying value	-	8,972	-
Market value	-	220	-
Sold futures, open positions			
Underlying value	32,279	-	-
Market value	1,481	-	-

RELATED PARTY TRANSACTIONS

Norvestia has related party transactions with companies in the Kaupthing Bank Group. In the table below the numbers are shown for the whole Kaupthing Bank Group. Related parties include Kaupthing Bank hf. (parent), Kaupthing Bank Oyj, Kaupthing Bank hf., Suomen siviliteki and Fron Insurance Ltd.

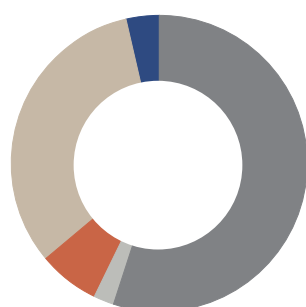
	1/4-30/6/2008	1/4-30/6/2007	1/1-30/6/2008	1/1-30/6/2007	1/1-31/12/2007
Income statement					
Kaupthing Bank hf. including subsidiaries					
Purchases	-17	-22	-56	-72	-188
Interest income	34	5	47	26	79
Balance sheet					
Kaupthing Bank hf. including subsidiaries					
ASSETS					
Cash at bank and in hand	4,019		2,987		1,989
Accrued income and prepaid expenses	22		5		29
LIABILITIES					
Accounts payable, purchases	29		5		-

INVESTMENTS JUNE 30, 2008

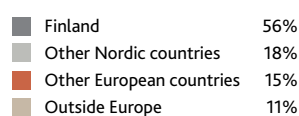
	Number of shares/units	Purchase price EUR 1,000	Market value EUR 1,000	Share of market value
NORVESTIA PLC				
LISTED COMPANIES				
Ahlstrom Corporation	58,000	1,193	832	1.0%
Amer Sports Corporation	39,000	530	374	0.4%
Atria Group plc	89,455	1,541	1,269	1.5%
Cargotec Corporation	12,500	361	276	0.3%
Comptel Corporation	133,000	221	172	0.2%
Elisa Corporation	133,000	2,012	1,773	2.0%
Finnair plc	166,611	1,566	773	0.9%
Fortum Corporation	102,000	2,700	3,291	3.8%
HKScan Corporation A share	36,000	333	324	0.4%
Huhtamäki Oyj	391,731	4,334	2,131	2.5%
Kemira Group	341,876	4,033	2,742	3.2%
Kesko Corporation B share	69,416	2,307	1,428	1.6%
Kone Corporation b share	10,000	166	223	0.3%
Konecranes plc	12,500	246	329	0.4%
Lännen Tehtaat plc	74,294	914	1,114	1.3%
Metso Corporation	66,827	2,230	1,936	2.2%
M-Real Corporation B share	80,000	332	106	0.1%
Neste Oil Corporation	140,000	3,219	2,621	3.1%
Nokia Corporation	225,000	4,229	3,485	4.1%
Nokian Tyres plc	11,000	121	336	0.4%
Okmetic Oyj	48,200	113	123	0.1%
Oriola-KD Corporation A share	18,600	22	49	0.1%
Oriola-KD Corporation B share	91,100	157	245	0.3%
Orion Corporation A share	18,600	153	246	0.3%
Orion Corporation B share	134,445	1,806	1,702	2.0%
Outokumpu Oyj	9,000	170	200	0.2%
Pohjola Bank plc A share	124,741	1,587	1,375	1.6%
Raisio plc V share	458,400	854	779	0.9%
Ramirent plc	124,997	1,262	827	1.0%
Rautaruukki Corporation K share	50,100	1,590	1,456	1.7%
Sampo plc A share	141,001	2,473	2,263	2.6%
SanomaWSOY Corporation	54,730	1,146	770	0.9%
Sponda Plc	30,000	187	166	0.2%
Stora Enso Oyj R share	254,533	3,072	1,517	1.8%
UPM-Kymmene Corporation	296,240	3,644	3,081	3.6%
Uponor Corporation	90,051	1,473	841	1.0%
Wärtsilä Corporation	14,000	637	559	0.7%
YIT Corporation	62,800	888	1,004	1.2%
3Com Corp.	84,000	227	113	0.1%
AstraZeneca Plc	6,600	254	178	0.2%
BP Plc	28,100	234	207	0.2%
Deutsche Telekom AG	19,750	227	206	0.2%
France Telekom S.A.	12,500	206	234	0.3%
Nordea Bank AB FDR	80,000	947	708	0.8%
Powershares QQQ	29,100	1,123	834	1.0%
Rexel S.A.	2,354	39	21	0.0%
S&P Depos Recpts SK	4,000	366	325	0.4%
Sanofi-aventis	3,800	242	161	0.2%
StatoilHydro ASA	8,000	200	190	0.2%
TeliaSonera AB	265,000	1,647	1,251	1.5%
Valeo S.A.	9,420	260	192	0.2%
		59,794	47,358	55.2%

	Number of shares/units	Purchase price EUR 1,000	Market value EUR 1,000	Share of market value
FUNDS				
Avenir B	2,518	2,523	4,350	5.1%
Arvo Finland Value K	741,356	1,000	749	0.9%
Brummer & Partners Nektar	34,625	5,823	7,396	8.6%
Brummer & Partners Zenit	934	0	4,735	5.5%
Didner & Gerge Aktiefond	24,382	1,686	2,031	2.3%
eQ High yield bond 2 K	14,120	2,100	2,033	2.4%
Futuris	20,985	2,733	6,664	7.8%
OP-Eurooppa Arvo A	7,559	1,728	1,632	1.9%
OP-Suomi Arvo A	10,053	678	1,279	1.5%
RAM One	42,443	3,991	4,887	5.7%
		22,262	35,756	41.7%
BONDS				
	nominal value			
M-Real Serla, expires 15/12/2010	1,000	858	842	1.0%
		858	842	1.0%
NORVESTIA PLC IN TOTAL		82,914	83,956	97.9%
NORVENTURES LTD				
UNLISTED COMPANIES				
Polystar Instruments AB	266,000	1,717	1,800	2.1%
NORVENTURES LTD IN TOTAL		1,717	1,800	2.1%
NORVESTIA GROUP IN TOTAL		84,631	85,756	100.0%

NORVESTIA GROUP'S INVESTMENTS 30/6/2008



GEOGRAPHIC BREAKDOWN OF NORVESTIA GROUP'S INVESTMENTS 30/6/2008



This interim report has not been audited by the company's auditor.



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