

Fourth Quarter Financial Results

Investor Presentation – January 30th 2009



EIMSKIP

Agenda



- 1 Financial Results Q4 2008
- 2 Change In Focus And Restructuring
- 3 Questions & Answers

Financial Results 2008



- Profit warnings published in December and January
- After tax loss for the year 2008 EUR 648million
- Negative equity of EUR 134 million
- Main reasons for loss:
 - Expensed guarantees related to XL Leisure Group
 - Bankruptcy of Innovate in the UK
 - High financial expenses
 - Impairment losses
- The financial statement is prepared as follows:
 - **Continuing operation** = Eimskip transportation business
 - **Discontinued operations** = Coldstore business and aviation guarantees

Financial Highlights Q4/12M



Income statement (EUR million)	Q4 2008	Q4 2007	Change	2008	2007	Change
Revenue	175.2	168.9	6.3	718.9	680.3	38.6
Expenses	-171.1	-149.6	-21.5	-662.8	-619.0	-43.8
EBITDA	4.1	19.3	-15.2	56.0	61.3	-5.3
Depreciation	-9.9	-10.3	0.4	-38.8	-29.7	-9.1
Impairment of assets	-100.6	0.0	-100.6	-100.6	0.0	-100.6
Financial items & associated companies	-19.0	-27.9	8.9	-93.9	-21.4	-72.5
Profit/loss before taxes	-125.4	-18.9	-106.5	-177.3	10.3	-187.6
Income tax	-7.6	5.4	-13.0	-4.9	2.6	-7.5
Profit/loss from continuing operations	-133.0	-13.5	-119.5	-182.2	12.8	-195.0
Profit/loss from discontinued operations	-356.0	5.7	-361.7	-466.2	-21.9	-444.3
Profit/loss for the period	-489.0	-7.8	-481.2	-648.4	-9.1	-639.3

EBITDA	4.1	19.3	56.0	61.3
EBITDA / Revenue	2.3%	11.4%	7.8%	9.0%
EBIT / Revenue	-60.8%	5.3%	-11.6%	4.6%
Profit / Revenue	-279.2%	-4.6%	-90.2%	-1.3%

- Substantial one-time charges in Q4 reduce EBITDA already affected by difficult market conditions
- Significant impairment of goodwill and other assets
- Coldstore businesses moved to discontinued operations, which also includes XL guarantee

Revenue & EBITDA – Q4 2008



Quarterly statement (EUR million)	Q4	Q3	Q2	Q1	2008
Revenue	175.2	188.3	183.5	171.9	718.9
Expenses	-171.1	-167.8	-163.8	-160.2	-662.8
EBITDA	4.1	20.5	19.7	11.8	56.0
Depreciation	-9.9	-9.5	-10.1	-9.4	-38.8
Impairment of assets	-100.6	0.0	0.0	0.0	-100.6
Financial income/expenses	-21.9	-24.4	-41.1	-10.0	-97.4
Share in profit from associates	2.9	0.3	0.3	-0.1	3.5
Profit/loss before taxes	-125.4	-13.0	-31.2	-7.7	-177.3
Income tax	-7.6	-1.4	3.9	0.2	-4.9
Profit/loss from continuing operations	-133.0	-14.4	-27.2	-7.5	-182.2
Profit/loss from discontinued operations	-356.0	-5.3	-73.6	-31.3	-466.2
Profit/loss for the period	-489.0	-19.7	-100.8	-38.9	-648.4

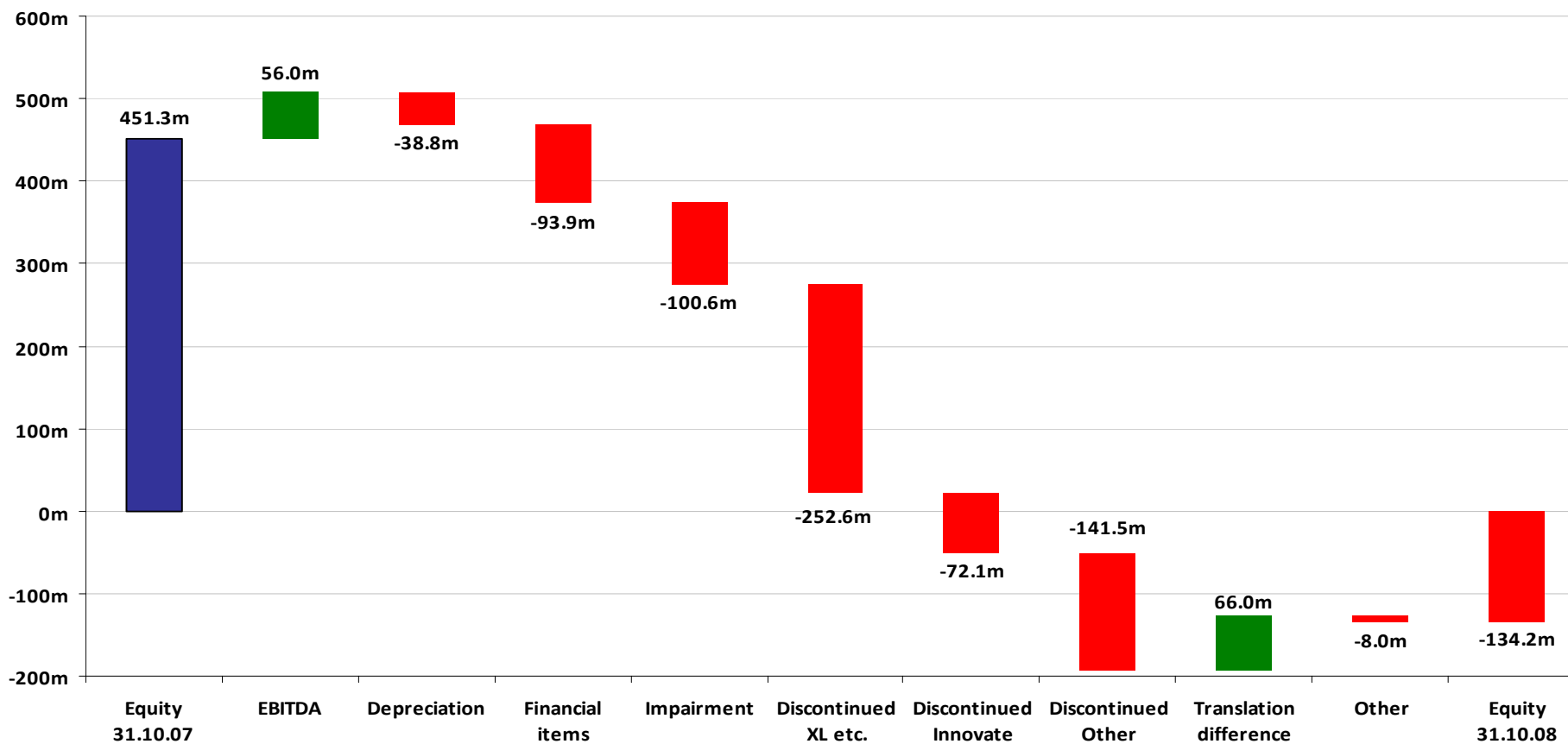
Balance Sheet – As of October 31st 2008



Balance Sheet (EUR million)	Q4 2008	Q4 2007	Change
Goodwill and other intangible assets	182.5	530.2	-347.8
Property, vessels and equipment	327.7	1,287.5	-959.8
Investments and associated companies	78.1	68.8	9.3
Deferred tax asset	8.4	42.2	-33.8
Non-current assets	596.6	1,928.7	-1,332.1
Inventories	4.7	8.3	-3.6
Trade and other receivables	142.4	452.0	-309.6
Cash and cash equivalents	32.7	79.7	-47.0
Assets classified as held for sale	1,167.4	0.0	1,167.4
Current assets	1,347.2	540.0	807.2
Total assets	1,943.9	2,468.7	-524.8
Equity	-134.2	451.3	-585.5
Convertible loan	67.2	76.5	-9.2
Loans and borrowings	327.8	1,163.4	-835.6
Provisions and other liabilities	5.9	55.2	-49.3
Deferred income tax liability	9.5	178.3	-168.7
Non-current liabilities	410.4	1,473.3	-1,062.9
Loans and borrowings	433.8	239.3	194.5
Trade and other payables	321.9	304.8	17.1
Liabilities classified as held for sale	911.9	0.0	911.9
Current liabilities	1,667.7	544.1	1,123.6
Equity and liabilities	1,943.9	2,468.7	-524.8

Equity ratio	-6.9%	18.3%
Current ratio	0.8	1.0

Equity Development



Cash Flow



Cash flow (EUR millions)	2008	2007	Change
Net profit/loss	-648.4	-9.1	-639.3
Items not affecting cash flow	691.1	107.5	583.6
Changes in current assets/liabilities	22.8	61.9	-39.1
Cash from operating activities	65.5	160.3	-94.8
Investment activities	-35.6	-1,161.9	1,126.3
Financing activities	-43.5	922.9	-966.4
Discontinued operations	-32.8	-14.0	-18.8
Changes in cash & equiv.	-46.4	-92.7	46.3
Cash and equiv. at beginning of year	79.7	180.0	
Effects of exchange rate changes	-0.6	-7.6	
Cash and equiv. at end of period	32.7	79.7	



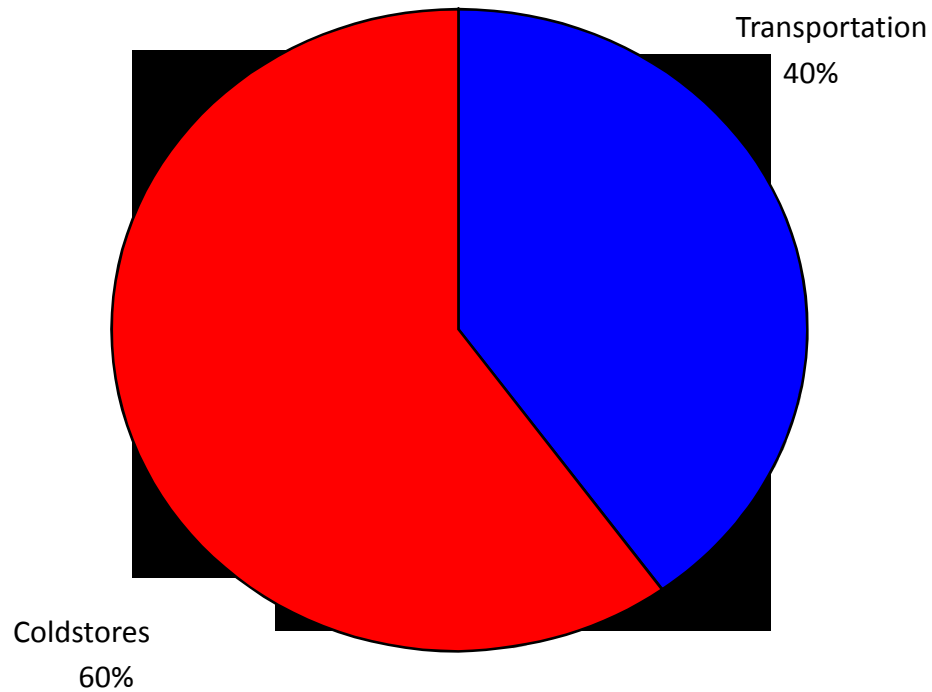
Change in Focus and Restructuring

Eimskip's Development - Past 4 Years



- Two main sectors
 - **Transportation**
 - Eimskip Liner, Eimskip-CTG, Containerships, Faroe Ship and freight forwarding
 - 12 seaside coldstores with direct links to the transportation value chain
 - **Coldstores**
 - Versacold/Atlas and Daalimpex operating a total of 133 coldstores
- Revenues have grown tenfold
- Number of employees has gone from 1,200 to 12,000

Revenue Split



Coldstores



Transportation

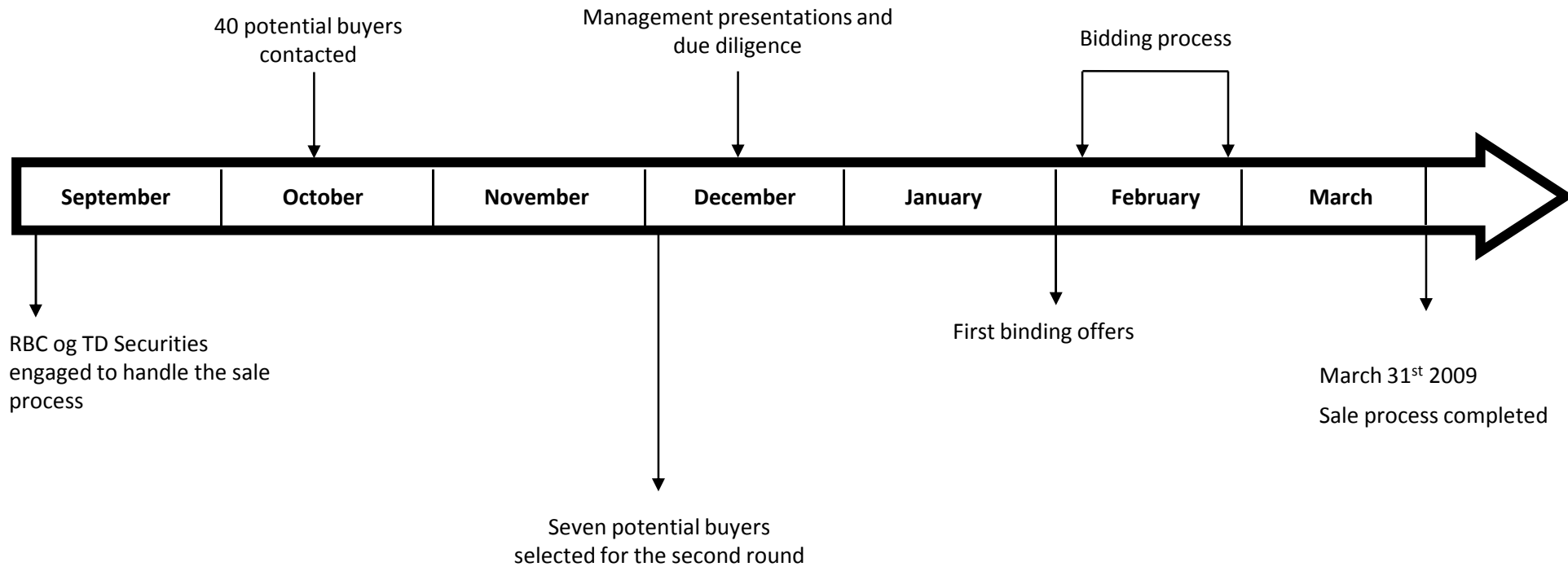


Change In Focus



- The new board and management of the company have decided to end the current focus on coldstore operations
- The main emphasis will be on the logistics part of the group and on organic growth
- The size of the group will be reduced considerably
- A strong position and know-how in the North-Atlantic transportation sector
- Eimskip's major problems are related to discontinued operations
 - **Aviation business** – expensed guarantees
 - **Innovate** – bankruptcy
 - **High leverage** – investments in coldstore businesses

Versacold/Atlas Sale Process

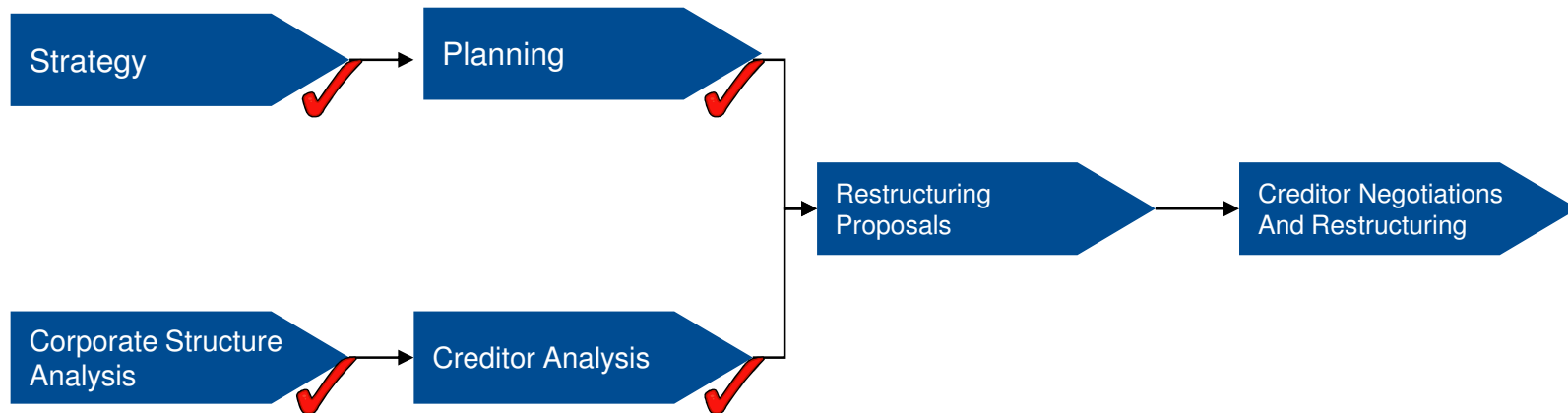


Financial Restructuring



Improved Cash Management And Liquidity

- Short term cash flow forecasting ✓
- Management initiatives to conserve / generate cash flow ✓
- Standstill with creditors ✓
- Non-core asset sale process



Creditor Communications

- **February**
 - Present business plan to creditors
 - Restructuring proposals presented to creditors
- **March**
 - Financing & restructuring termsheets completed
 - Versacold/Atlas sale completed
- Financial restructuring to be completed in the spring

Eimskip Going Forward

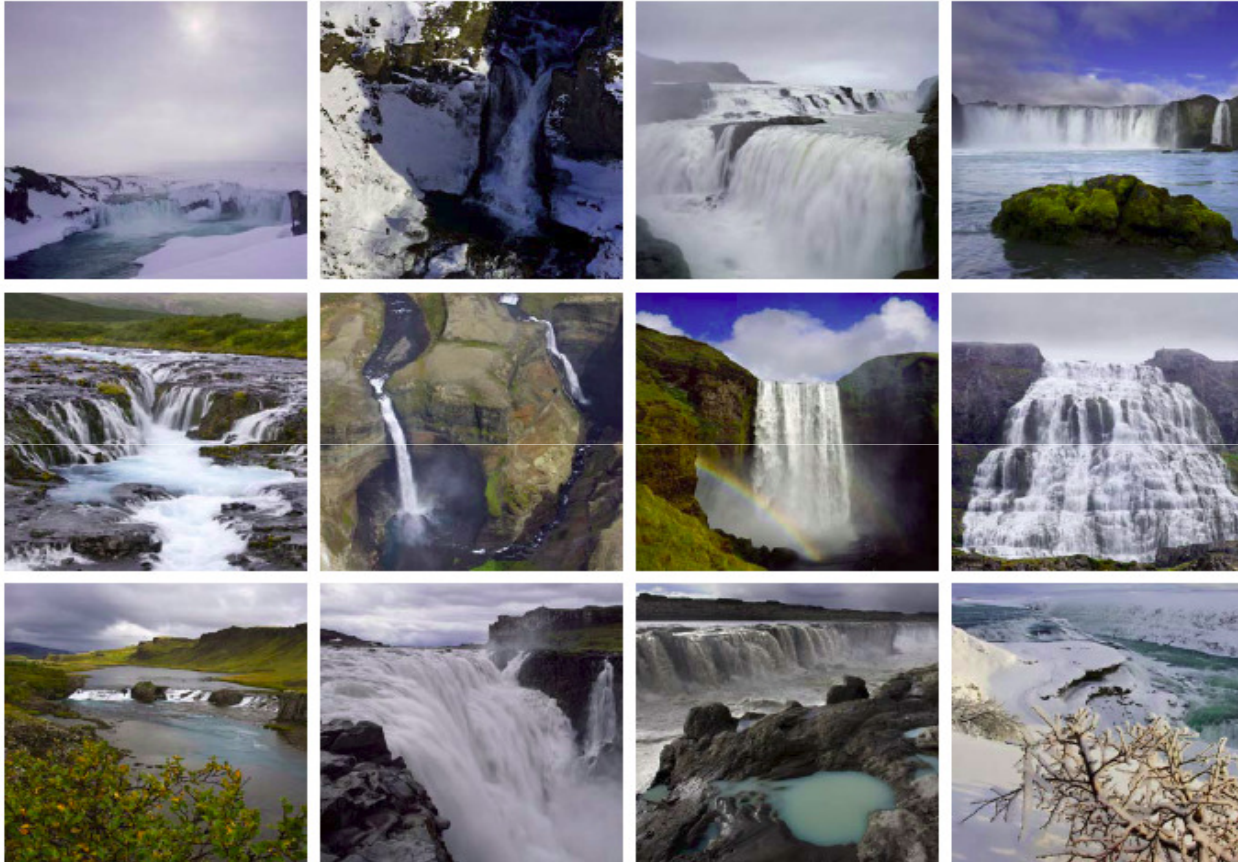


- The transportation market has been hit by the global financial crisis, reflecting in a slowdown in consumer demand
- 2009 will be a challenging year for Eimskip
- Decrease in imports to Iceland
- Eimskip has a flexible cost structure to meet the decrease in cargo volume
 - Flexible sailing and vessel system
 - Flexible container fleet
 - Cuts in overhead costs
- Focus on the improved utilization of vessels, containers and other assets to reduce expenses in 2009
- Cash position is secure



Questions & Answers

Investor Relations: Heidrun Jonsdottir
heidrun@eimskip.is
(+354) 525-7370



Thank You For Your Time



Disclaimer

Any statement contained in this presentation that refers to Hf. Eimskipafelag Islands (“Eimskip”) estimated or anticipated future results or future activities are forward-looking statements which reflect the Company’s current analysis of existing trends, information and plans. These forward-looking statements are subject to a number of risks and uncertainties that could cause actual results to differ materially depending on factors such as the availability of resources, the timing and effect of regulatory actions and other factors. Eimskip does not undertake the obligation to update or alter these forward-looking statements beyond its duties as an issuer of listed securities on the OMX Nordic Exchange in Reykjavik, Iceland.