



FINANCIAL RESULTS 2014 AND FOURTH QUARTER RESULTS

27 February 2015

EIMSKIP
COOL CHOICE IN LOGISTICS

HIGHLIGHTS



KEY HIGHLIGHTS 2014

Comparison to 2013

- ✓ Total revenue EUR 451.6 million, up by 4.1%
- ✓ EBITDA EUR 38.5 million, up by 4.0%
- ✓ Net earnings EUR 13.6 million, up by 25.8%
- ✓ Volume in liner services up by 7.9%
- ✓ Volume in reefer forwarding services up by 11.0%
- ✓ Proposed dividend payment is EUR 6.2 million or 45.7% of net earnings



KEY HIGHLIGHTS

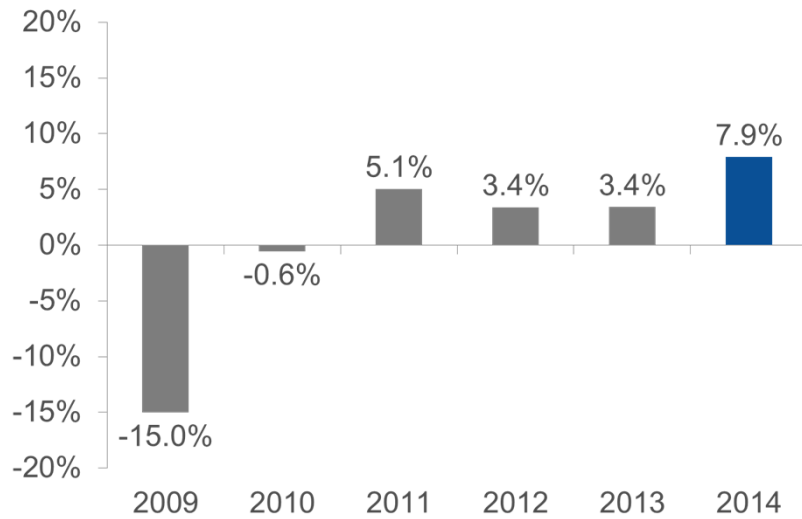
For the year 2014

- Transported volume in the company's North Atlantic liner services grew by 7.9% from 2013
 - Eimskip's volumes to Iceland increased and export is stabilized
 - Increased volumes to and from the Faroe Islands
- Transported volume in the company's reefer forwarding services grew by 11.0% from 2013
 - Mainly due to increased activity in inbound cargo, new commodities, Intra Asia transport and new markets
- Changes of the Red Line and the new Gray Line in Q1 made the company's sailing system more efficient
 - Changes made in 2015 regarding Green Line will further improve reliability and services

TRANSPORTED VOLUME 2009 TO 2014

Changes from previous year

Liner services



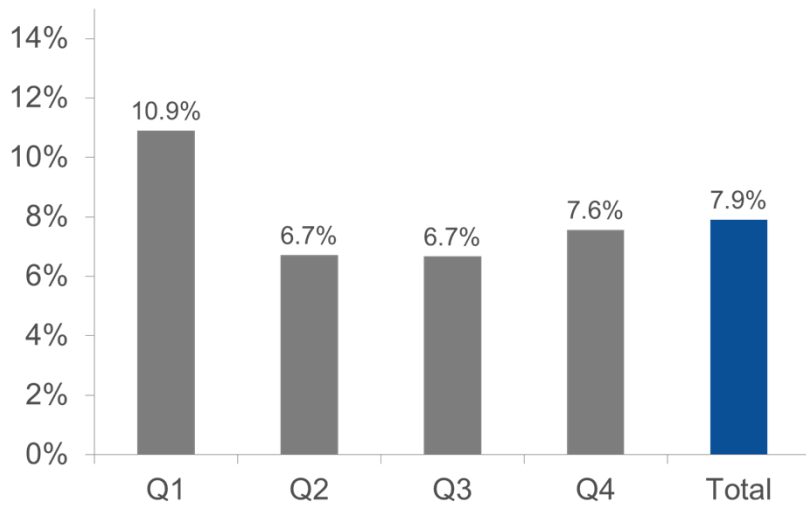
Reefer forwarding



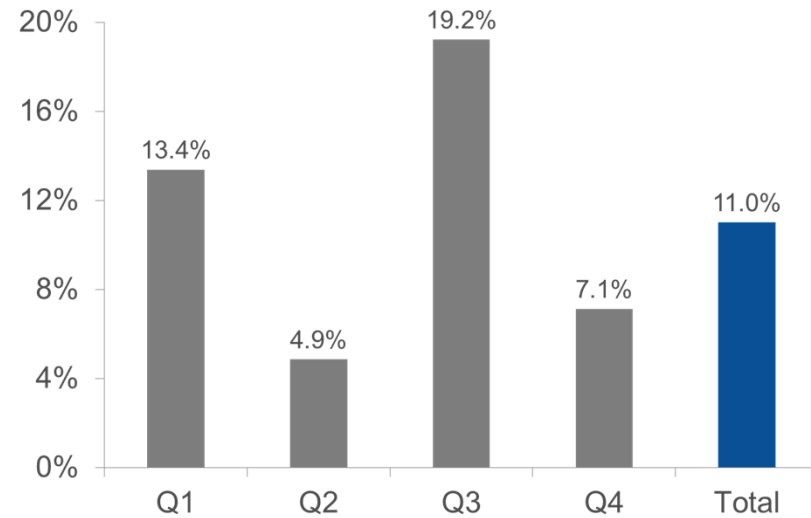
TRANSPORTED VOLUME IN 2014 BY QUARTER

Changes from the same period 2013

Liner services



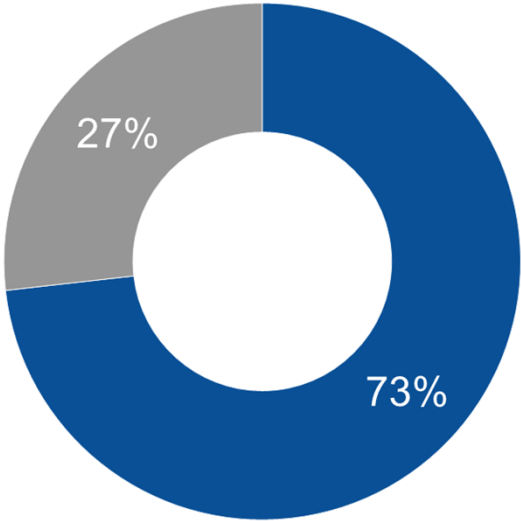
Reefer forwarding



OPERATING REVENUE BY SEGMENT

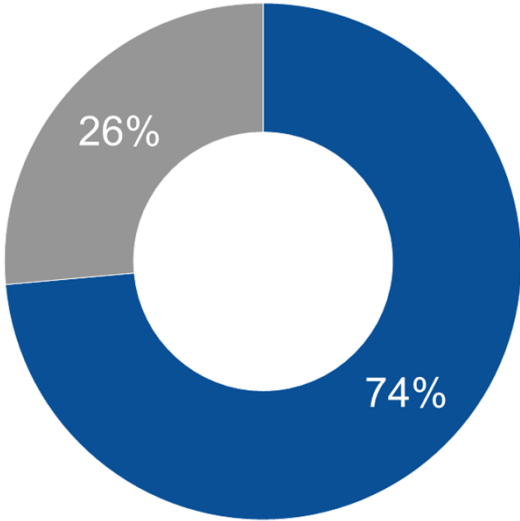
Liner services and forwarding services

2014



■ Liner services ■ Forwarding services

2013

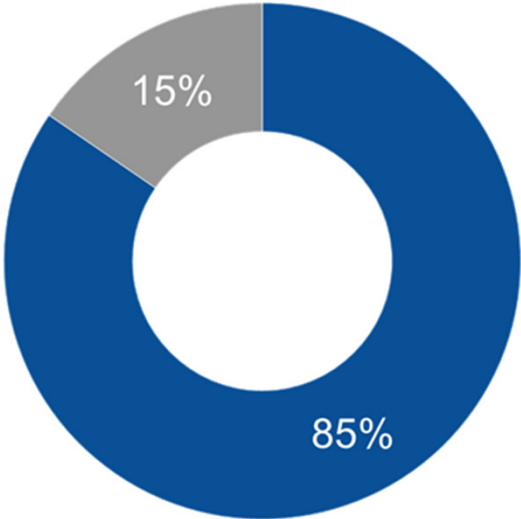


■ Liner services ■ Forwarding services

EBITDA BY SEGMENT

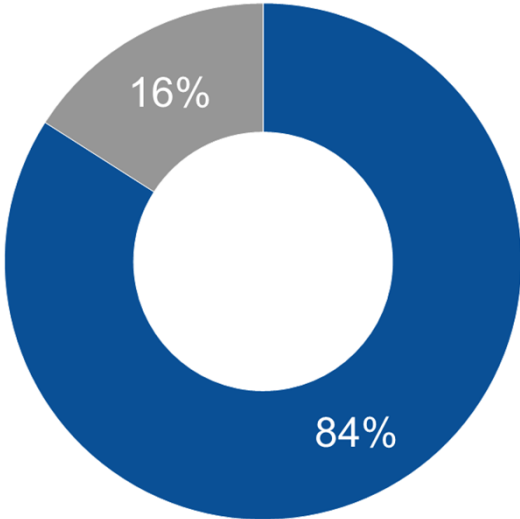
Liner services and forwarding services

2014



■ Liner services ■ Forwarding services

2013

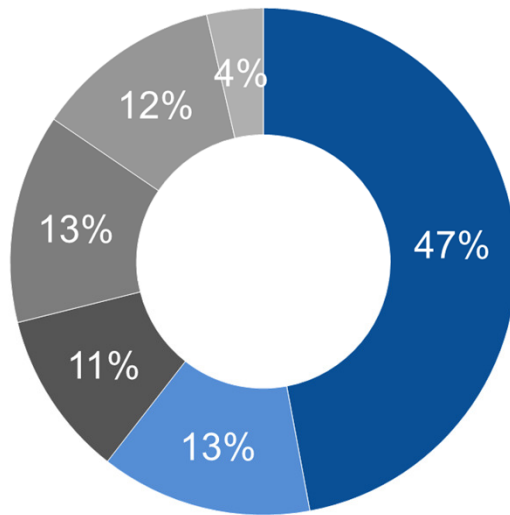


■ Liner services ■ Forwarding services

GEOGRAPHICAL SPLIT OF OPERATING REVENUE

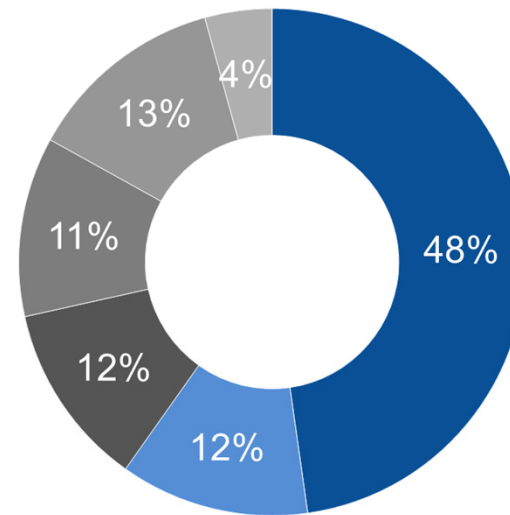
Less than half of operating revenue is related to Iceland

2014



■ Iceland
■ Norway
■ Asia
■ Faroe Islands
■ Europe
■ Other

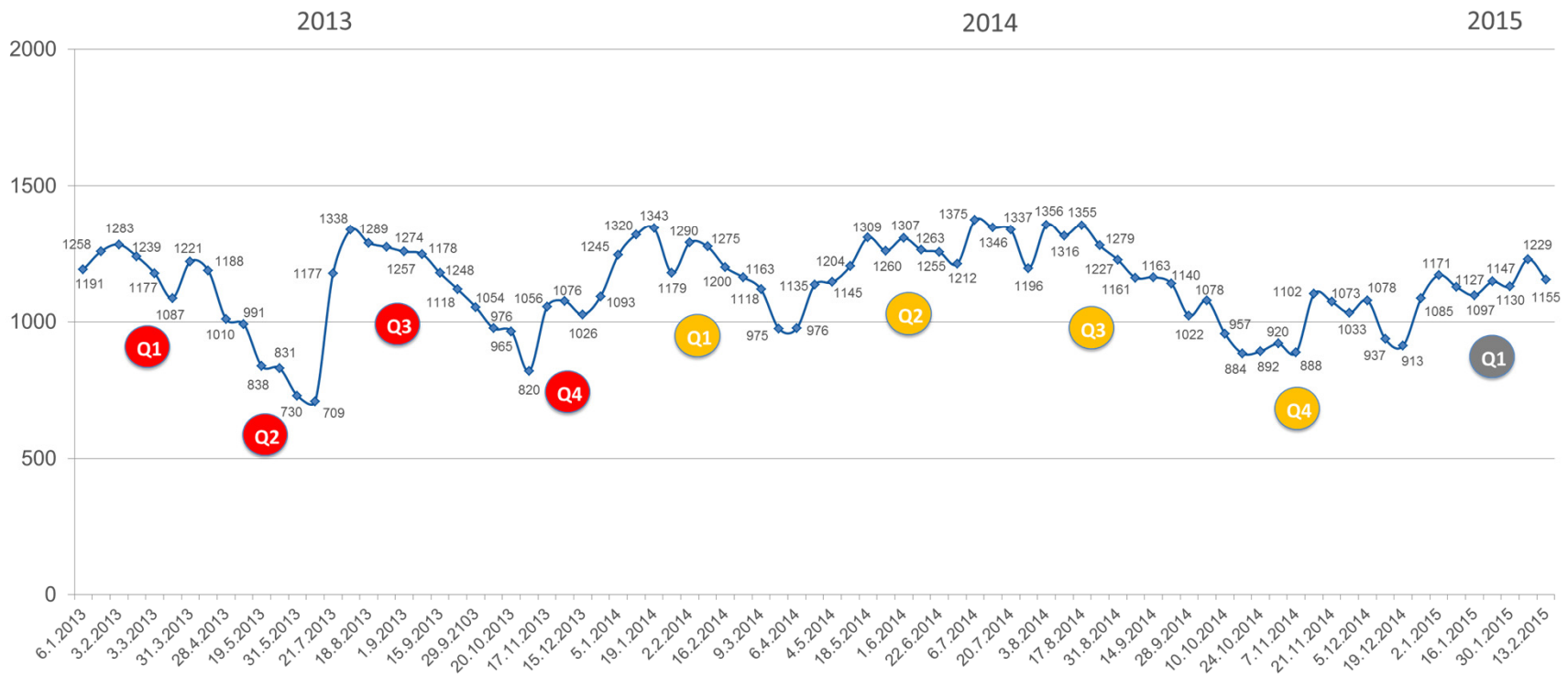
2013



■ Iceland
■ Norway
■ Asia
■ Faroe Islands
■ Europe
■ Other

FREIGHT INDEX CHINA - EUROPE

Fluctuations in pricing from the deep sea carriers 2013 to 2015



Source: www.shippingchina.com

FINANCIAL RESULTS 2014



INCOME STATEMENT

EBITDA increased by 12.2% in Q4

EUR thousands	Q4 2014	Q4 2013	Change	%	2014	2013	Change	%
Operating revenue	118,794	106,875	11,919	11.2%	451,555	433,824	17,731	4.1%
Operating expenses	109,953	98,996	10,957	11.1%	413,013	396,770	16,243	4.1%
EBITDA	8,841	7,879	962	12.2%	38,542	37,054	1,488	4.0%
Depreciation and amortization	(6,052)	(5,487)	(565)	(10.3%)	(23,195)	(21,143)	(2,052)	(9.7%)
EBIT	2,789	2,392	397	16.6%	15,347	15,911	(564)	(3.5%)
Net finance income (expense)	169	(842)	1,011	-	591	(3,234)	3,825	-
Share in earnings of associated companies	(30)	2	(32)	-	229	2	227	-
Net earnings before income tax	2,928	1,552	1,376	88.7%	16,167	12,679	3,488	27.5%
Income tax	(638)	(384)	(254)	(66.1%)	(2,560)	(1,862)	(698)	(37.5%)
Net earnings for the period	2,290	1,168	1,122	96.1%	13,607	10,817	2,790	25.8%

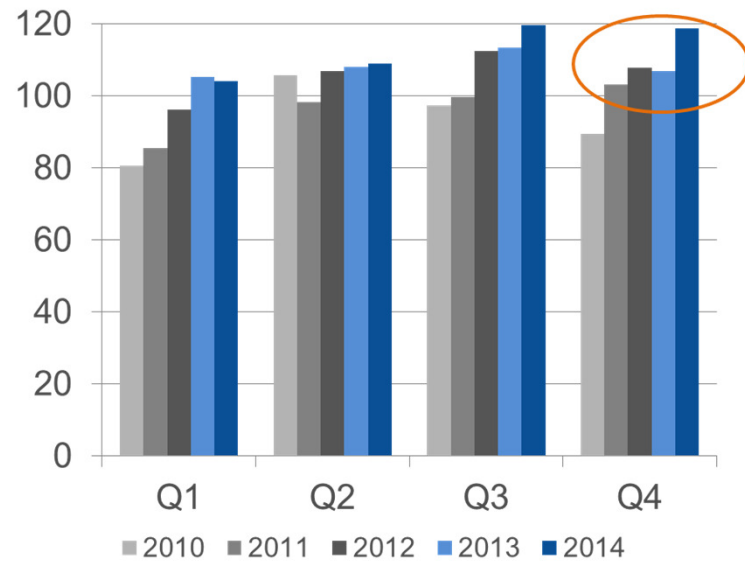
- 2014 results affected by the following
 - Revenue generally affected by rates, cargo combination and currency exchange rates
 - Growth in imported volume to Iceland and in volume to and from the Faroe Islands
 - Adverse weather conditions in Q1 and Q4 2014 increased costs
 - Changes in the sailing system decreased costs as from Q2
 - EUR 1.0 million extraordinary expenses due to M&A, dual listing and legal issues
- Increased depreciation due to investments in containers and other equipment, timing of vessel dockings and the new vessel Lagarfoss
- Net finance income affected by EUR 2.8 million currency exchange gain this year compared to EUR 1.1 million currency exchange loss in 2013

OPERATING REVENUE AND EBITDA BY QUARTER

Adjusted for one-off items in 2011 and 2012

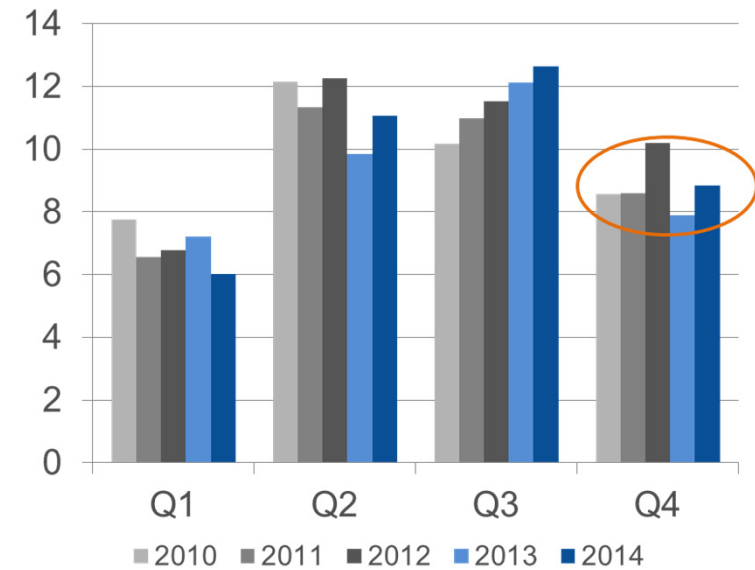
Operating revenue

EUR million



EBITDA

EUR million



BALANCE SHEET

Financial strength of the company increases

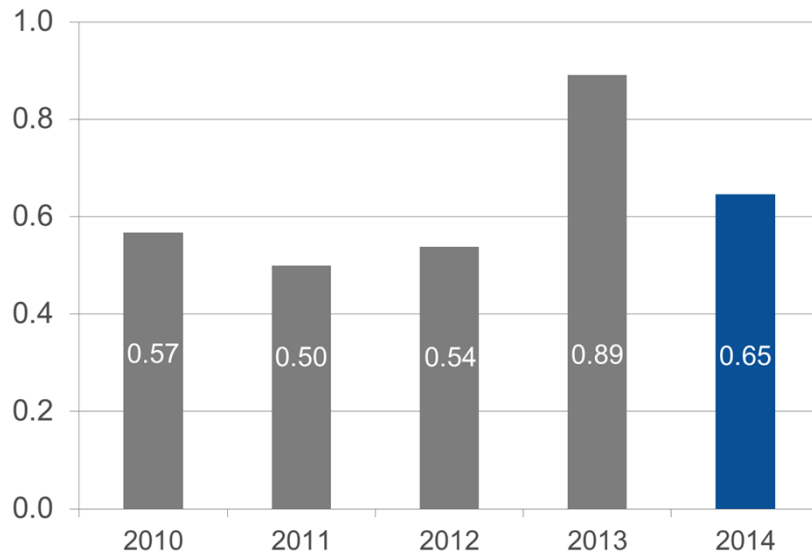
- Current assets increased by EUR 19.5 million or 19.8% from year-end 2013
 - Trade and other receivables and cash and cash equivalents increased due to growth in revenues and currency exchange differences
- Equity ratio was 65.2% at year-end 2014 compared to 65.5% at year-end 2013
- Total interest bearing debt amounted to EUR 64.4 million at the end of 2014 million compared to EUR 59.4 million at the end of 2013
 - New long-term loan for the vessel Lagarfoss in the amount of EUR 10.3 million
- Net debt amounted to EUR 24.9 million at year-end 2014 compared to EUR 33.0 million at year-end 2013
 - Cash and cash equivalents increased by EUR 13.2 million

EUR thousands	31.12.2014	31.12.2013	Change	%
Non-current assets	214,278	216,096	(1,818)	(0.8%)
Current assets	117,762	98,269	19,493	19.8%
Total assets	332,040	314,365	17,675	5.6%
Total equity	216,472	205,771	10,701	5.2%
Non-current liabilities	49,904	44,436	5,468	12.3%
Current liabilities	65,664	64,158	1,506	2.3%
Total liabilities	115,568	108,594	6,974	6.4%
Total equity and liabilities	332,040	314,365	17,675	5.6%

FINANCIAL RATIOS

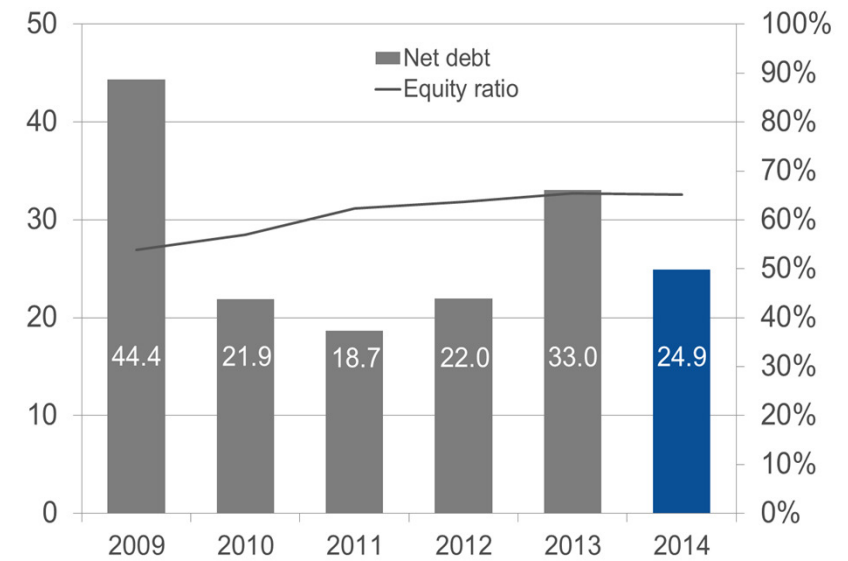
Net debt / EBITDA (adjusted)

EUR million



Net debt and equity ratio

EUR million



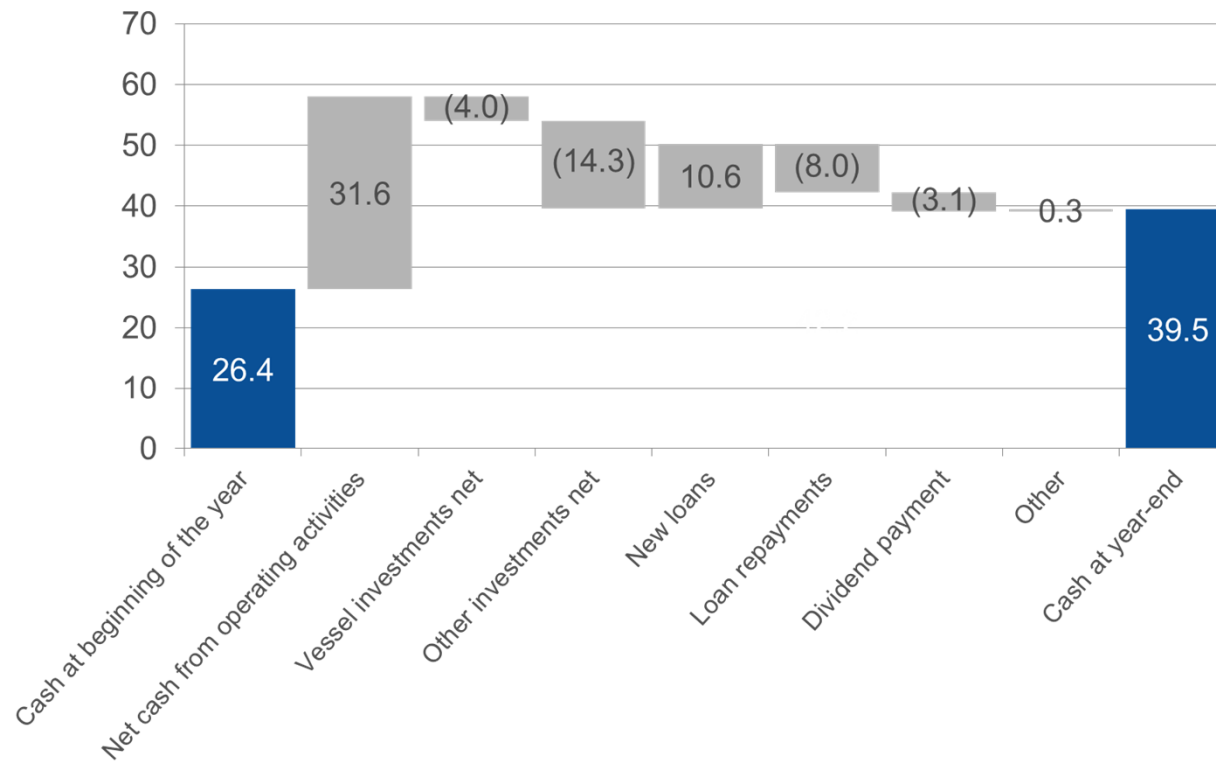
STRONG CASH FLOW AND CASH POSITION

Increased cash and equivalents by EUR 13.2 million

EUR thousands	Q4 2014	Q4 2013	Change	%	2014	2013	Change	%
Cash flows from operations	12,713	7,172	5,541	77.3%	31,603	20,537	11,066	53.9%
Investing activities	(4,382)	(4,980)	598	12.0%	(18,311)	(26,601)	8,290	31.2%
Financing activities	(2,108)	(2,049)	(59)	(2.9%)	(572)	(3,558)	2,986	83.9%
Changes in cash and cash equivalents	6,223	143	6,080	-	12,720	(9,622)	22,342	-
Cash at the beginning of the period	34,173	26,676	7,497	28.1%	26,370	37,304	(10,934)	(29.3%)
Exchange rate fluctuations	(857)	(449)	(408)	(90.9%)	449	(1,312)	1,761	-
Cash at the end of period	39,539	26,370	13,169	49.9%	39,539	26,370	13,169	49.9%

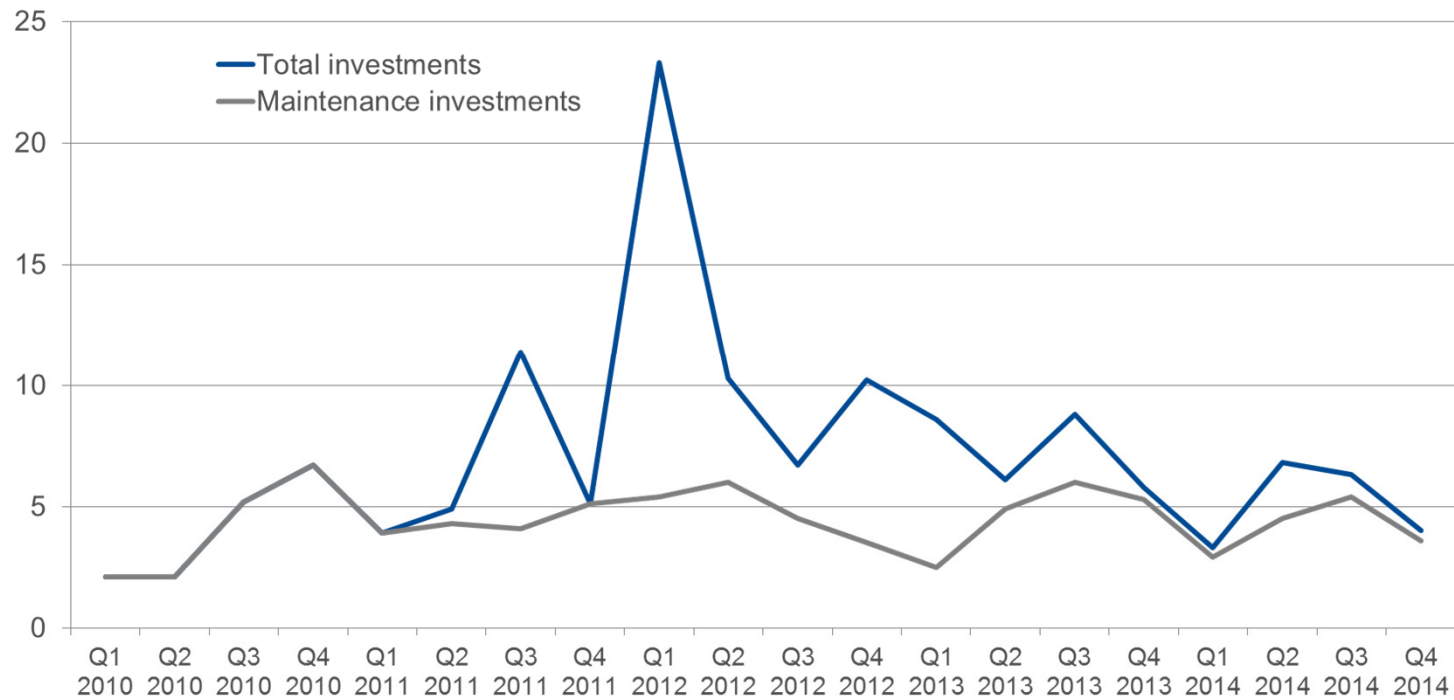
CASH FLOW BRIDGE 2014

EUR million



CAPEX 2010 TO 2014

Total CAPEX EUR 20.5 million in 2014, thereof maintenance CAPEX EUR 16.5 million



SAILING SYSTEM AND VESSELS



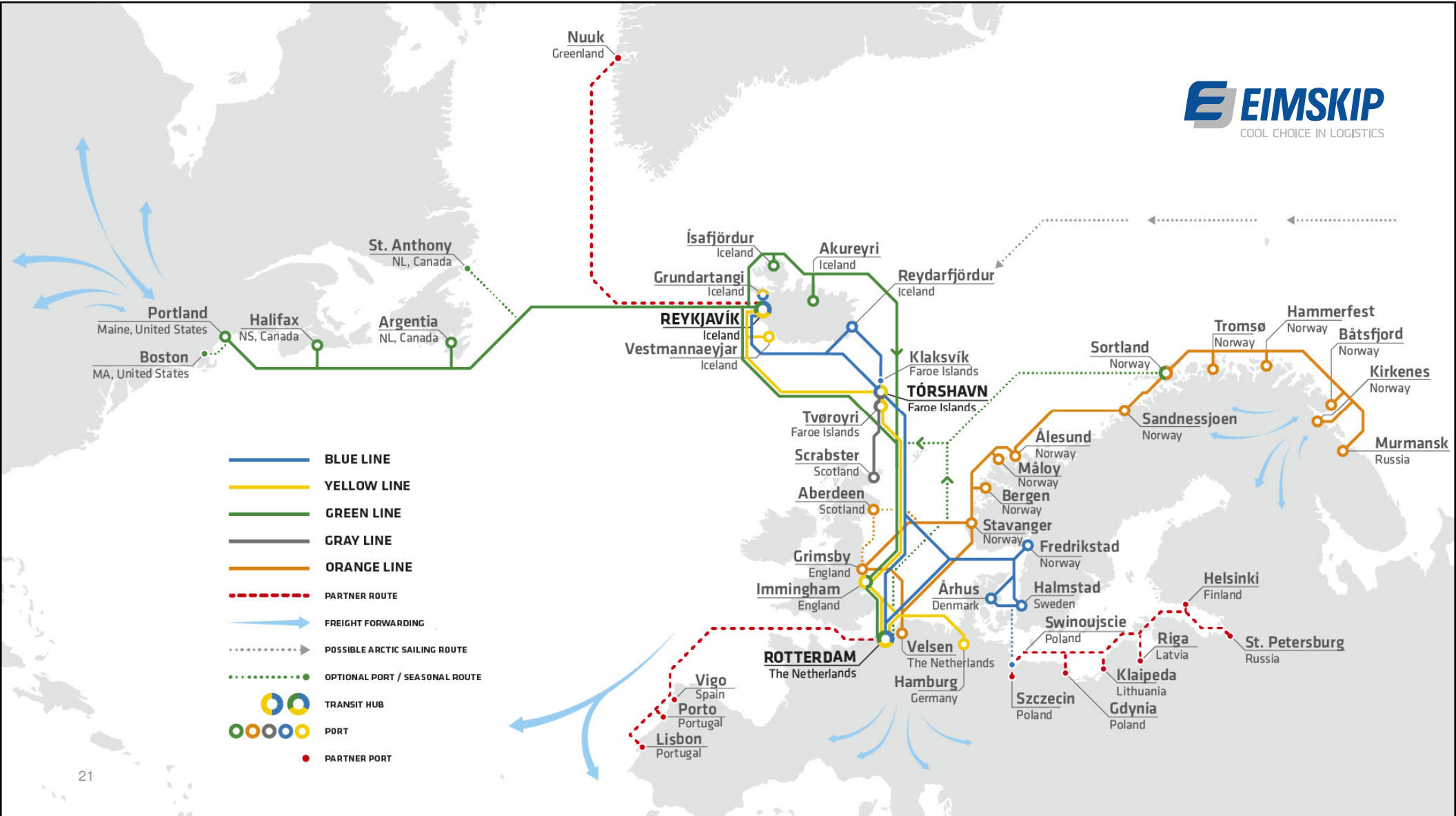
DYNAMIC SAILING SYSTEM

Flexible system meeting customers requirements

- Substantial changes were made to Eimskip's sailing schedule in March 2013 which increased system capacity by 10.8%
 - Weekly coastal services in Iceland with direct connection to the UK and mainland Europe on the Red Line
 - Increased frequency and shorter transit time between Iceland and North America with a port call in Sortland in Norway on the Green Line
- In February 2014 adjustments were made to increase flexibility and service reliability towards customers
 - Adverse weather conditions had affected the reliability of the two vessel sailing schedule of the Red Line connecting Iceland with the Faroe Islands
 - The Red Line was split into the Gray Line serving the Faroe Islands and Scotland and one vessel in coastal services around Iceland to Europe
- In February 2015 the Green Line and the Red Line were merged into a new Green Line with three vessels
 - A direct sailing route between Europe and North America with port calls in Iceland, avoiding transshipments and connecting problems
 - Increased annual number of voyages between Europe and North America
 - Strengthening the cooperation between Eimskip and the port of Halifax in building up a short sea service between US and Canada



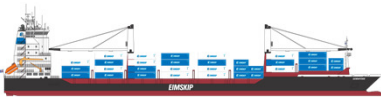
EIMSKIP
COOL CHOICE IN LOGISTICS



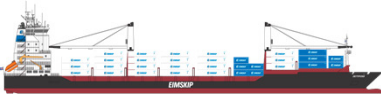
THE VESSEL FLEET

16 vessels in operation, 12 own and 4 chartered

Blue Line

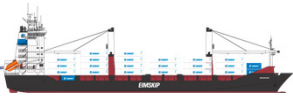


Godafoss O
 Built 1995
 TEU 1,457
 GT 14,664



Dettifoss O
 Built 1995
 TEU 1,457
 GT 14,664

Yellow Line

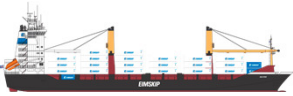


Brúarfoss O
 Built 1992
 TEU 724
 GT 7,676



Lagarfoss O
 Built 2014
 TEU 875
 GT 10,106

Green Line



Selfoss O
 Built 1991
 TEU 724
 GT 7,676

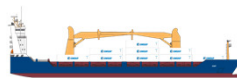


Skógafoss C
 Built 2007
 TEU 698
 GT 7,545



Reykjafoss C
 Built 1999
 TEU 712
 GT 7,541

Gray Line



Ruby C
 Built 2002
 TEU 505
 GT 4,454

Orange Line



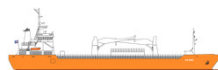
Holmfoss O
 Built 2007
 Reefer (bulk/TEU24)
 GT 3,538



Polfoss O
 Built 2008
 Reefer (bulk/TEU24)
 GT 3,538



Svartfoss O
 Built 2005
 Reefer (bulk/TEU48)
 GT 2,990



Vidfoss O
 Built 1990
 Reefer (bulk)
 GT 3,625

Other operations in the North Atlantic



Langfoss O
 Built 1991
 Reefer (bulk)
 GT 3,625



Stigfoss O
 Built 1990
 Reefer (bulk)
 GT 3,625



Laxfoss O
 Built 1995
 Bulk cargo
 GT 1,682



Herjólfur C
 Built 1992
 Ferry
 GT 3,354

O Own Vessel
C Chartered Vessel



THE NEW VESSEL BAKKAFOSS

Expected further delay of delivery

- The process of building the 875 TEU container vessel Bakkafooss is not proceeding on schedule
- Delivery was planned in the fourth quarter this year but further delay is expected
- Eimskip is considering available options
- EUR 11.4 million have already been invested in the new building project
- The payments made to the shipyard are guaranteed by a first class state owned Chinese bank if Eimskip decides to seek a refund of the payments already made

FURTHER OPTIMIZING OF THE OPERATION

Organizational changes in January 2015

- In the beginning of 2015, Eimskip and König & Cie. in Hamburg established a joint venture company in ship management and trading
 - Replacement of older vessels
 - Optimizing the vessel fleet
 - Access to further knowledge in daily vessel operation and dockings
 - New building projects
 - Trading of own vessels
- As a part of the organizational changes the focus is to further optimize the operational cost regarding
 - Container control
 - Container freight stations and warehouses
 - Terminals
 - Third party transportation services



INVESTMENTS AND ACQUISITIONS



GROWTH IN LINE WITH STRATEGY

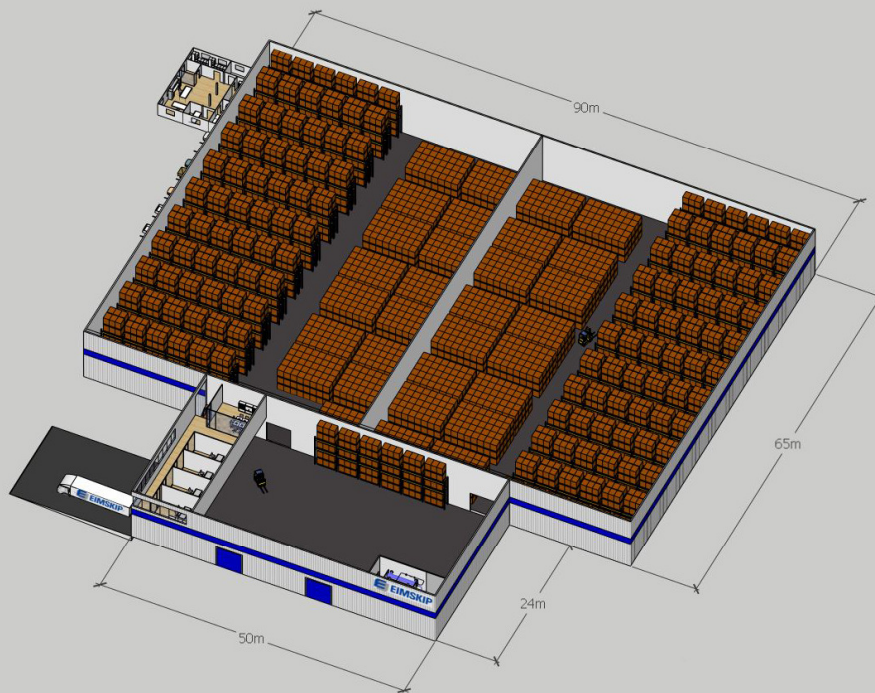
Through acquisitions and joint ventures

- Focus on accretive acquisitions in Eimskip's existing markets
- Synergy is a clear driver in evaluation of potential targets and lowering of effective purchase price multipliers
- Reasonably sized acquisitions and joint venture projects
 - Container liner operations
 - Reefer and dry vessel operations
 - Vessel investment / management
 - Terminal operations
 - Port located cold storages with strong connection to the seafood industry
 - Trucking to serve Eimskip's needs and third party
 - Custom clearance / brokerage serving liner trade
- Reefer logistics worldwide
 - Freight forwarding companies
 - Continued focus on opening new offices supporting the existing network



COLD STORAGE IN HAFNARFJÖRDUR

The first phase expected to be in operation in Q3 2015



- Eimskip has reached an agreement with VHE, Kælismidjan Frost ehf. and Sudurverk hf. of building a 10,000 ton cold storage facility on the harbor site in Hafnarfjörður in Iceland
- The new storage is designed by AVH Architects together with consultants and designers at VSB, EFLA and VSÓ Consulting
- Considerable recent and future increases in the fishing and processing of pelagic fish require increased cold storage space and services
- Fjarðarfrost, Eimskip's current cold storage facility in Hafnarfjörður, has capacity of approximately 3,000 tons
- The first phase of the new facility is expected to be in operation in the third quarter and finalized before the end of this year
- There is an option to enlarge the facilities in stages to a total of 27,000 tons, according to customer needs



INFRASTRUCTURE INVESTMENTS

Harbor crane investment

- To further strengthen its operation Eimskip has invested in two new Gottwald harbor cranes
- The two cranes are expected to be in operation in the third quarter 2015
- The first crane will be located in Grundartangi in Iceland
- The second crane will be located in Reydarfjörður in Iceland and the current crane in Reydarfjörður will be moved to the Faroe Islands to meet increased activity there
- With the crane investment the company will be able to run the Blue Line vessels without vessel cranes
- Today Eimskip's container vessels call 18 ports in the North Atlantic
 - Eimskip operates three terminals with cranes and will before the end of the year operate five terminals with cranes

INFRASTRUCTURE INVESTMENTS IN ICELAND

Transactions in 2015

- To further strengthen its operation Eimskip has invested in 22,410 m² land in Grundartangi
- Grundartangi
 - Eimskip is currently serving Nordurál, the Century Aluminum plant located at Grundartangi
 - To further secure its reliability and productivity Eimskip has invested in land and a new harbor crane
 - Eimskip seeks to develop further in Grundartangi in relation to the current and future industries in good cooperation with companies in the area



MERGER AND ACQUISITIONS

Transactions in 2015

- Eimskip's strategy for external growth is to make accretive acquisitions that
 - Create synergies
 - Strengthen the company's performance
 - Increase shareholders value
- In the first two months of 2015 Eimskip has already entered into transactions that are expected to increase the company's annual operating revenue by 3,5% or EUR 16 million with an estimated EBTIDA margin of 8-10%
- The total enterprise value (EV) is EUR 6 million for the following four companies
 - Forwarding company Jac. Meisner in Rotterdam, the Netherlands
 - Damco's 15.500m² warehouse operation in Aarhus, Denmark
 - St. Anthony Cold Storage Ltd. in Newfoundland and Labrador
 - Forwarding company Cargocan Agency Ltd. in Newfoundland and Labrador

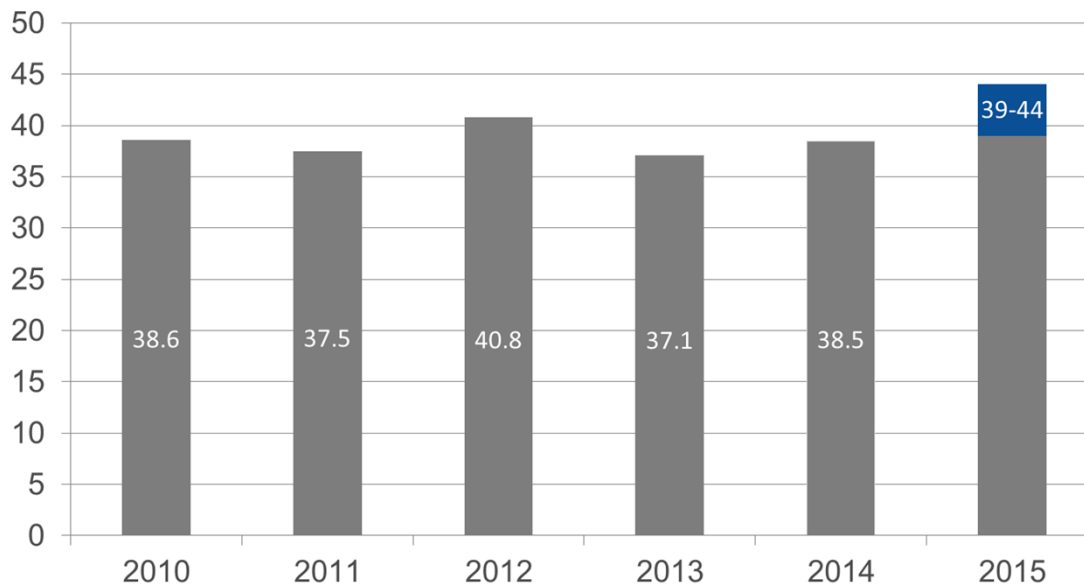


OUTLOOK



EBITDA FORECAST FOR 2015

In the range of EUR 39 to 44 million



Assumptions

- Continued growth in import to Iceland
- Export from Iceland more uncertain, including poor start of the capelin season
- Growth in import and export in the Faroe Islands
- Growing transport between North America and Europe
- Growth in international reefer forwarding
- Increased earnings related to the merger and acquisitions which have already been announced are taken into account
- General uncertainty regarding volume, rates, fuel costs, competition and conclusion of general wage agreements in the labor market in Iceland

FUTURE OUTLOOK

- The company seeks to increase shareholders value through further acquisitions
- Some of the targets have already materialized and others will be realized this year
- The larger targets are being explored but due to their nature it will take more time and effort to have them finalized
- Large projects in Iceland are slowly picking up after several years of recession
 - Imports and exports of consumer products are expected to continue to grow in Iceland and the Faroe Islands
- Growth opportunities in reefer forwarding lie mainly in wider range of commodities such as meat, fruit and vegetables
 - New markets such as Intra Asia, Africa and South America
- Eimskip has adjusted its dividend policy which currently is to pay annual dividend that equals an amount in the range of 10-50% of net earnings



Q & A



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