

THIRD QUARTER 2015 FINANCIAL RESULTS

20 November 2015

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COOL CHOICE IN LOGISTICS

HIGHLIGHTS

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KEY HIGHLIGHTS FOR Q3 2015

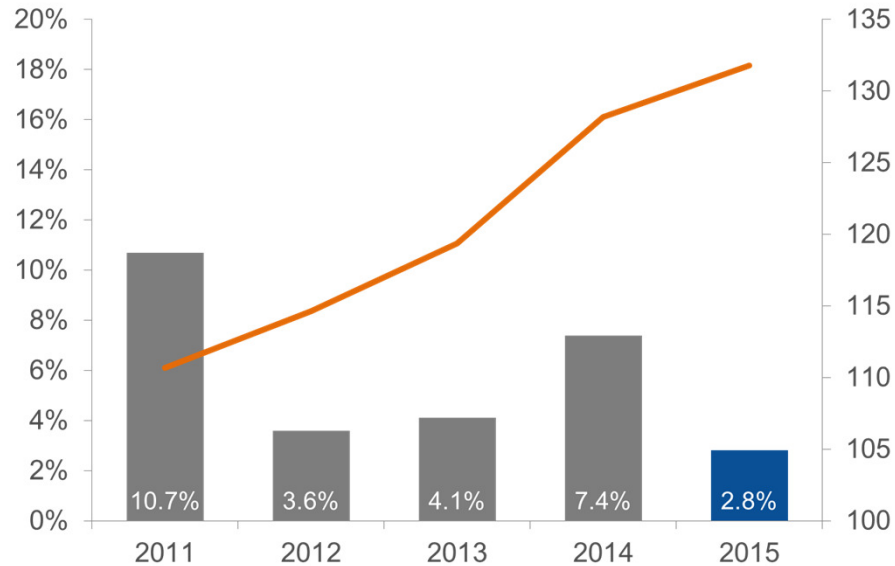
Q3 2015 compared to Q3 2014

- ✓ Total revenue EUR 129.7 million, up by EUR 10.1 million or 8.5%
- ✓ EBITDA EUR 16.4 million compared to EUR 12.6 million, up by 29.5%
- ✓ EBIT EUR 10.4 million compared to EUR 7.1 million, up by 47.9%
- ✓ Net earnings EUR 8.5 million compared to EUR 7.5 million, up by 12.7%
- ✓ Volume in liner services up by 2.8%
- ✓ Volume in reefer forwarding services up by 1.0%

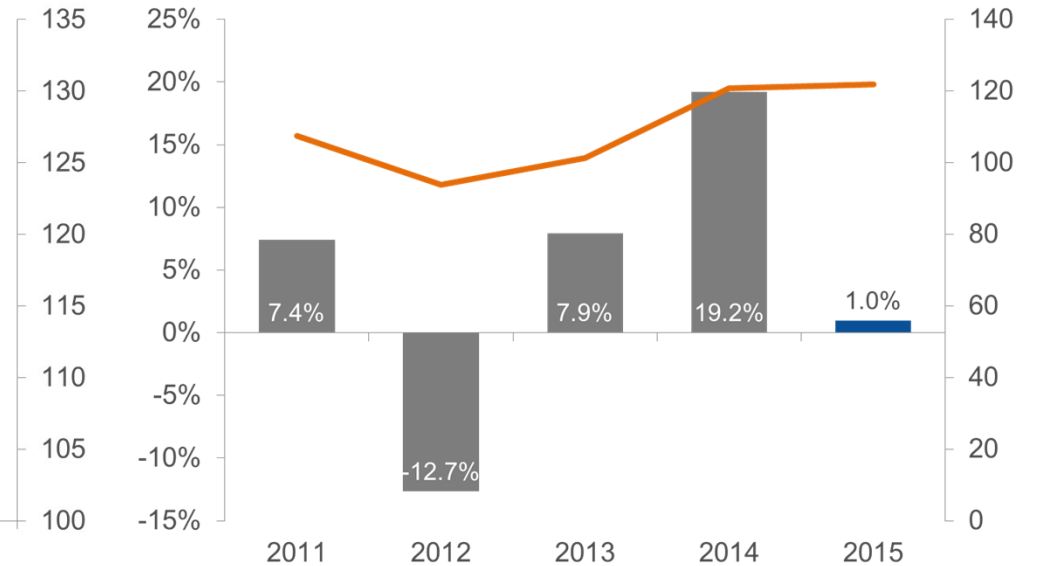
TRANSPORTED VOLUME IN Q3 2011 TO 2015

Changes from Q3 in the previous year

Liner services



Reefer forwarding

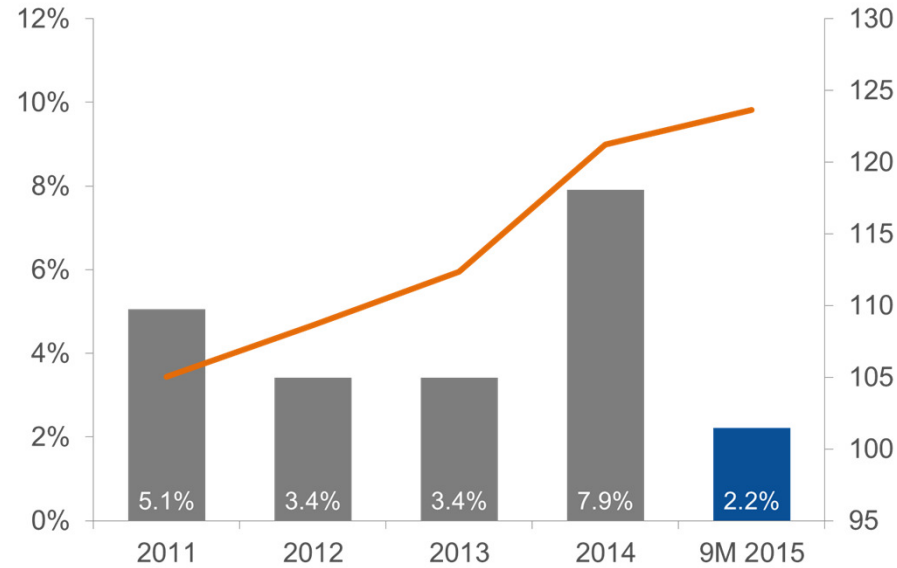


Volume index: 2010 volume at 100

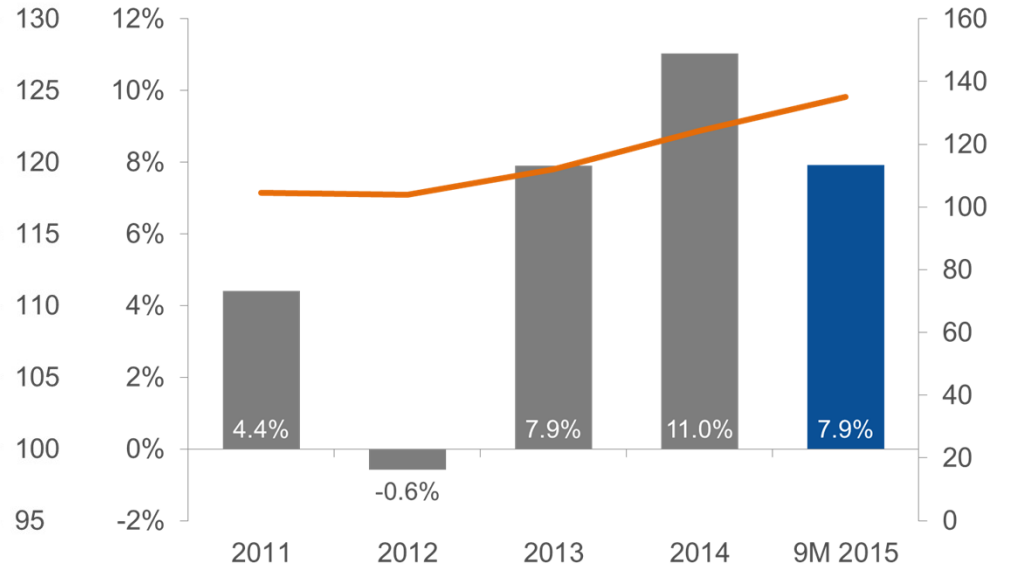
TRANSPORTED VOLUME 2011 TO 2015

Changes from previous year

Liner services



Reefer forwarding

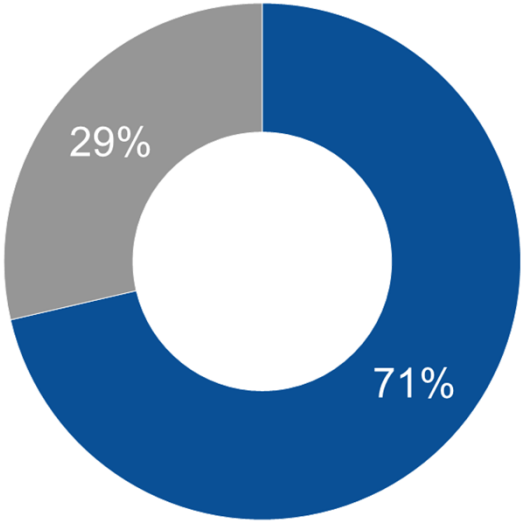


Volume index: 2010 volume at 100

OPERATING REVENUE BY SEGMENT

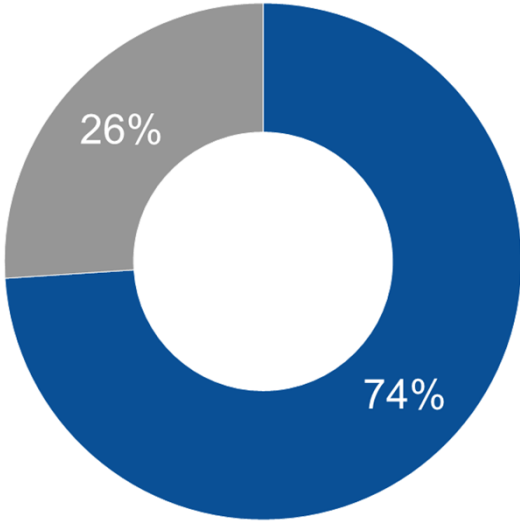
Liner services and forwarding services

9M 2015



■ Liner services ■ Forwarding services

9M 2014

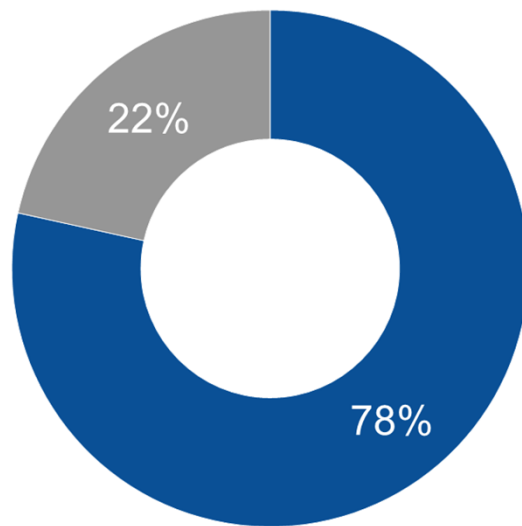


■ Liner services ■ Forwarding services

EBITDA BY SEGMENT

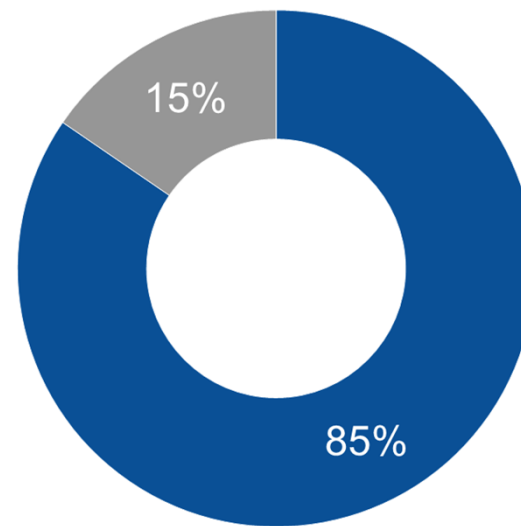
Liner services and forwarding services

9M 2015



■ Liner services ■ Forwarding services

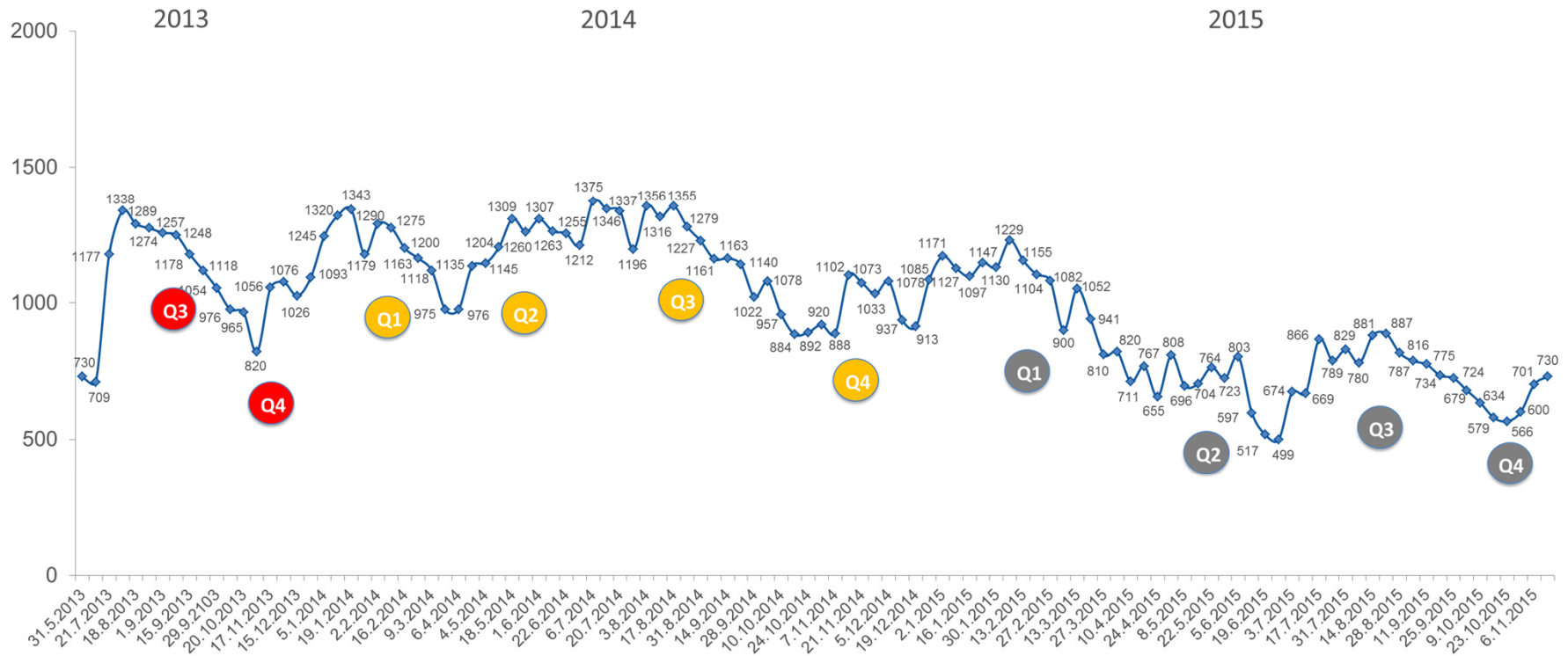
9M 2014



■ Liner services ■ Forwarding services

FREIGHT INDEX CHINA - EUROPE

Fluctuations in pricing from the deep sea carriers 2013 to 2015

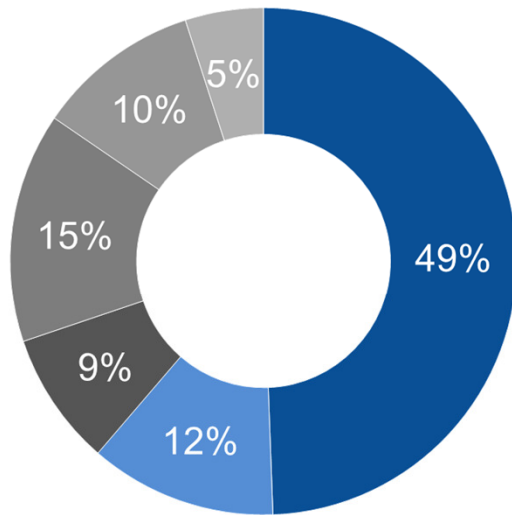


Source: www.shippingchina.com

GEOGRAPHICAL SPLIT OF OPERATING REVENUE

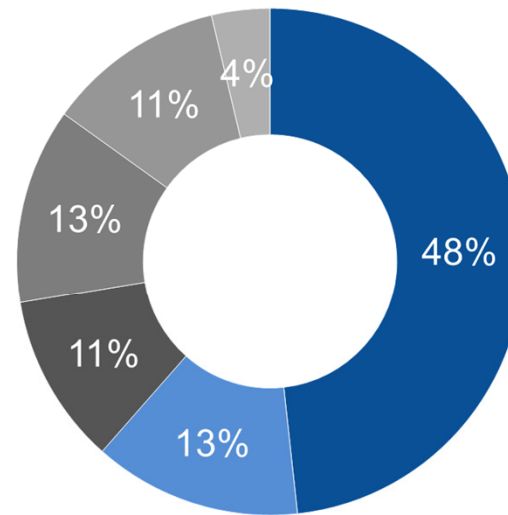
Less than half of operating revenue is related to Iceland

9M 2015



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

9M 2014



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

Q3 AND 9M 2015 FINANCIAL RESULTS



INCOME STATEMENT

Third quarter results affected by gain on sale of vessel

- Operating revenue affected by rates, volume, cargo combination and currency exchange fluctuations
- EUR 2.0 million recorded in Q3 as revenue from gain on disposal of assets and indemnity due to cancellation of the vessel building project in China
- New companies in the group generated EUR 1.7 million in EBITDA for the first nine months
- Net finance expense in Q3 affected by a EUR 0.2 million currency exchange gain this year compared to a EUR 1.9 million currency exchange gain in Q3 2014

EUR thousands	Q3 2015	Q3 2014	Change	%	9M 2015	9M 2014	Change	%
Operating revenue	129,721	119,583	10,138	8.5%	368,971	332,761	36,210	10.9%
Operating expenses	113,361	106,949	6,412	6.0%	333,521	303,060	30,461	10.1%
EBITDA	16,360	12,634	3,726	29.5%	35,450	29,701	5,749	19.4%
Depreciation and amortization	(5,933)	(5,584)	(349)	(6.3%)	(17,458)	(17,143)	(315)	(1.8%)
EBIT	10,427	7,050	3,377	47.9%	17,992	12,558	5,434	43.3%
Net finance (expense) income	(482)	1,192	(1,674)	-	27	422	(395)	(93.6%)
Share of earnings of associated companies	66	171	(105)	(1)	252	259	(7)	(2.7%)
Net earnings before income tax	10,011	8,413	1,598	19.0%	18,271	13,239	5,032	38.0%
Income tax	(1,537)	(896)	(641)	(71.5%)	(2,758)	(1,922)	(836)	(43.5%)
Net earnings for the period	8,474	7,517	957	12.7%	15,513	11,317	4,196	37.1%



REFUND FROM CHINA

USD 16.1 million received due to cancellation of vessel building

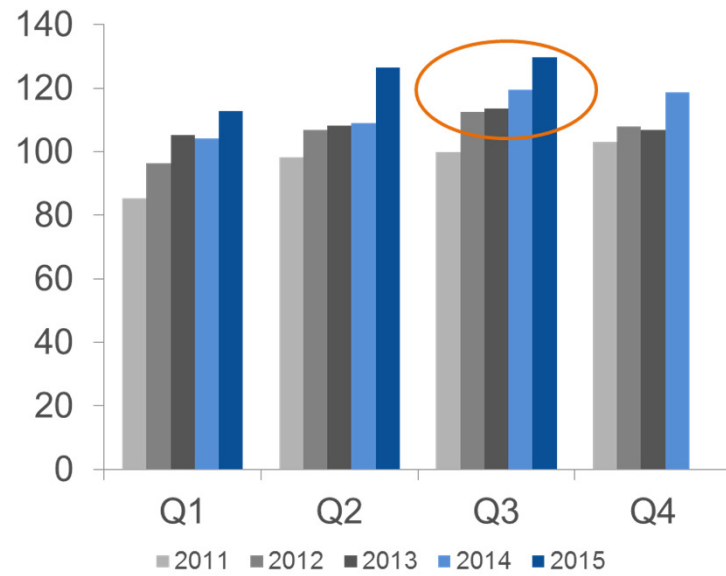
- Eimskip published on 31 August cancellation of the building of a container vessel in China due to delay of delivery
- On 13 October the company received a cash payment based on a bank guarantee in the amount of USD 16.1 million, equal to EUR 14.1 million
- The difference between the refund and the total capitalized amount for the vessel construction amounted to EUR 2.0 million
- The EUR 2.0 million was recorded as revenue from gain on disposal of assets and indemnity and affected operating revenue and receivables in Q3

OPERATING REVENUE AND EBITDA 2011 TO 2015 BY QUARTER

Adjusted for one-off items in 2011 and 2012

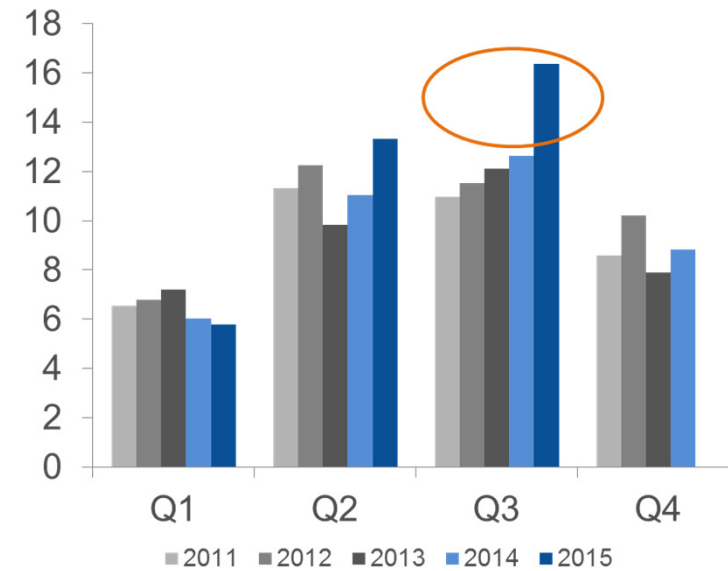
Operating revenue

EUR million



EBITDA

EUR million



BALANCE SHEET

Increased short-term borrowings in relation to investment projects

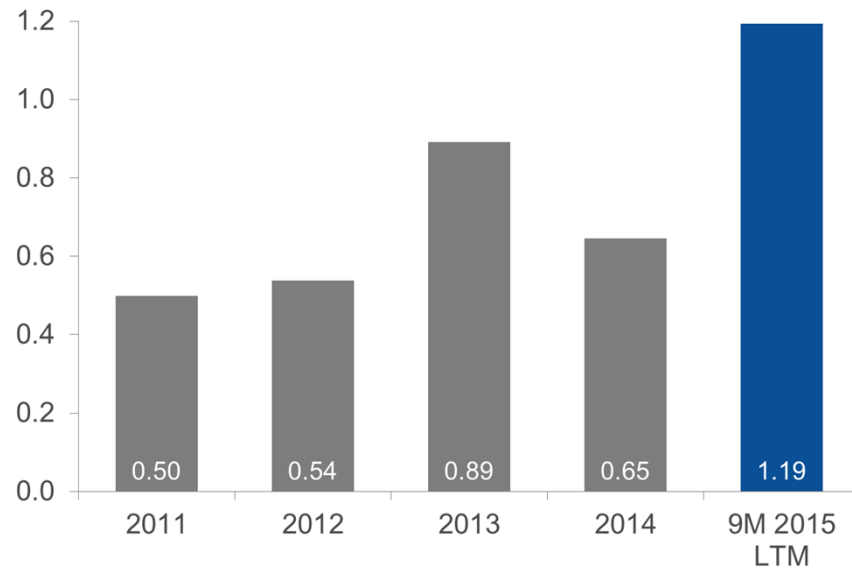
- Refund payment of EUR 14.1 million for the vessel in China is included in trade and other receivables
- Dividend in the amount of EUR 6.3 million (ISK 933.2 million) was paid to shareholders in April
- Equity ratio was 61.0% at the end of September 2015 compared to 65.2% at the end of 2014
- Total interest-bearing debt amounted to EUR 81.8 million at the end of September compared to EUR 64.4 million at year-end 2014
- Current liabilities amounted to EUR 103.9 million, an increase of 38.3 million from year-end 2014
 - EUR 26.4 million increase of short-term loans and borrowings related to a bridge loan for vessel constructions, investments in a cold storage in Hafnarfjörður, new harbor cranes and equipment
 - Long-term loans have been secured for the cold storage and the harbor cranes and will be drawn on in the fourth quarter
- Net debt amounted to EUR 52.5 million at the end of September compared to EUR 24.9 million at year-end
 - Cash and cash equivalents decreased by EUR 10.3 million

EUR thousands	30.9.2015	31.12.2014	Change	%
Non-current assets	228,554	214,278	14,276	6.7%
Current assets	142,096	117,762	24,334	20.7%
Total assets	370,650	332,040	38,610	11.6%
Total equity	225,958	216,472	9,486	4.4%
Non-current liabilities	40,777	49,904	(9,127)	(18.3%)
Current liabilities	103,915	65,664	38,251	58.3%
Total liabilities	144,692	115,568	29,124	25.2%
Total equity and liabilities	370,650	332,040	38,610	11.6%

FINANCIAL RATIOS 2011 TO 2015

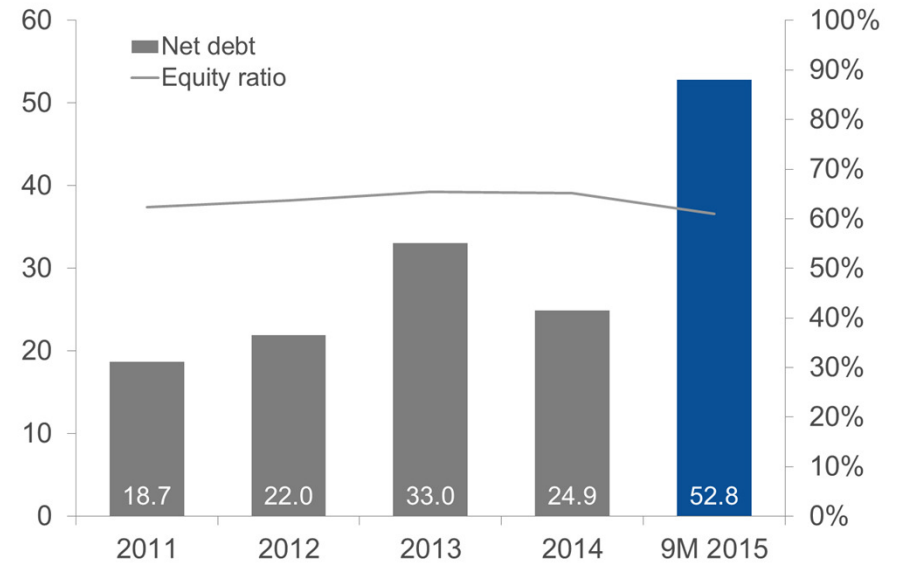
Net debt / EBITDA (adjusted)

EUR million



Net debt and equity ratio

EUR million



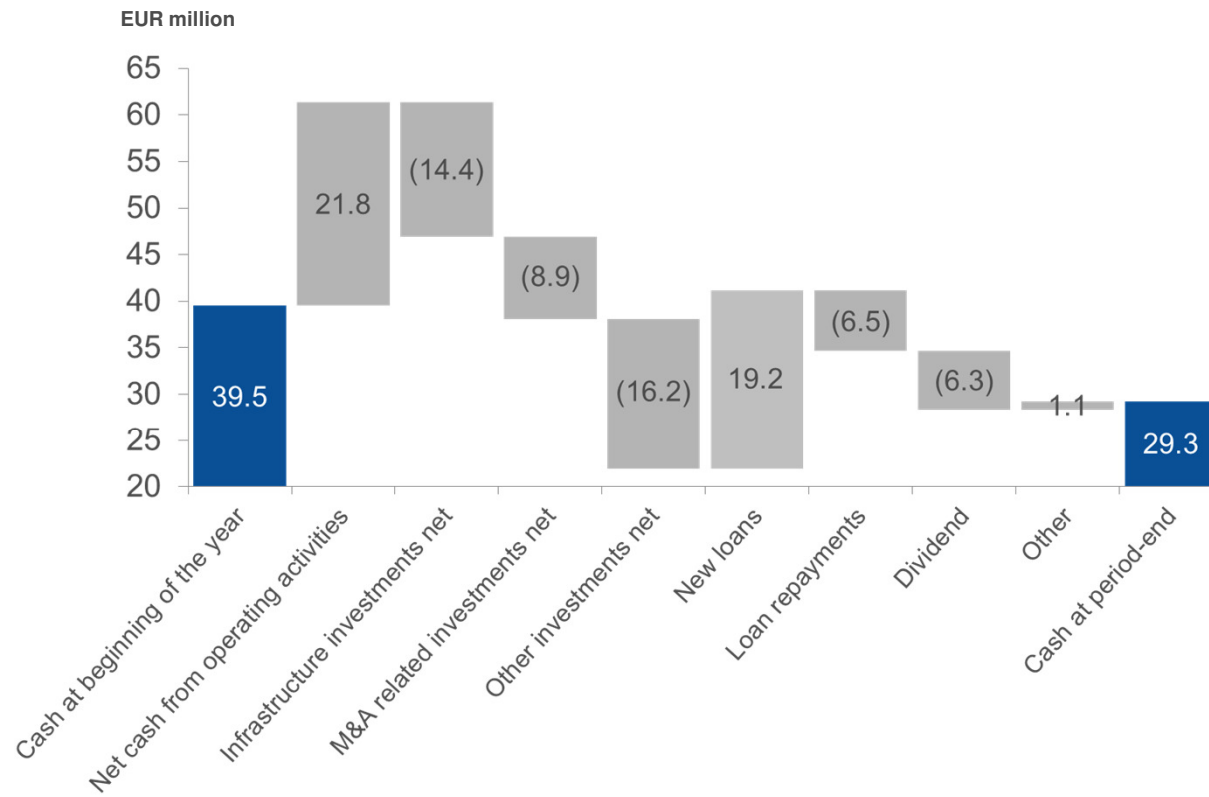
STRONG CASH FLOW AND CASH POSITION

Increased investments in infrastructure and M&A projects

EUR thousands	Q3 2015	Q3 2014	Change	%	9M 2015	9M 2014	Change	%
Cash flows from operations	6,889	4,968	1,921	(38.7%)	21,783	18,890	2,893	15.3%
Investing activities	(15,780)	(5,153)	(10,627)	(206.2%)	(39,238)	(13,929)	(25,309)	(181.7%)
Financing activities	1,876	8,483	(6,607)	(77.9%)	6,438	1,536	4,902	(319.1%)
Changes in cash and cash equivalents	(7,015)	8,298	(15,313)	-	(11,017)	6,497	(17,514)	-
Cash at the beginning of the period	37,011	24,818	12,193	49.1%	39,539	26,370	13,169	49.9%
Exchange rate fluctuations	(746)	1,057	(1,803)	-	728	1,306	(578)	(44.3%)
Cash at the end of period	29,250	34,173	(4,923)	(14.4%)	29,250	34,173	(4,923)	(14.4%)

CASH FLOW BRIDGE 9M 2015

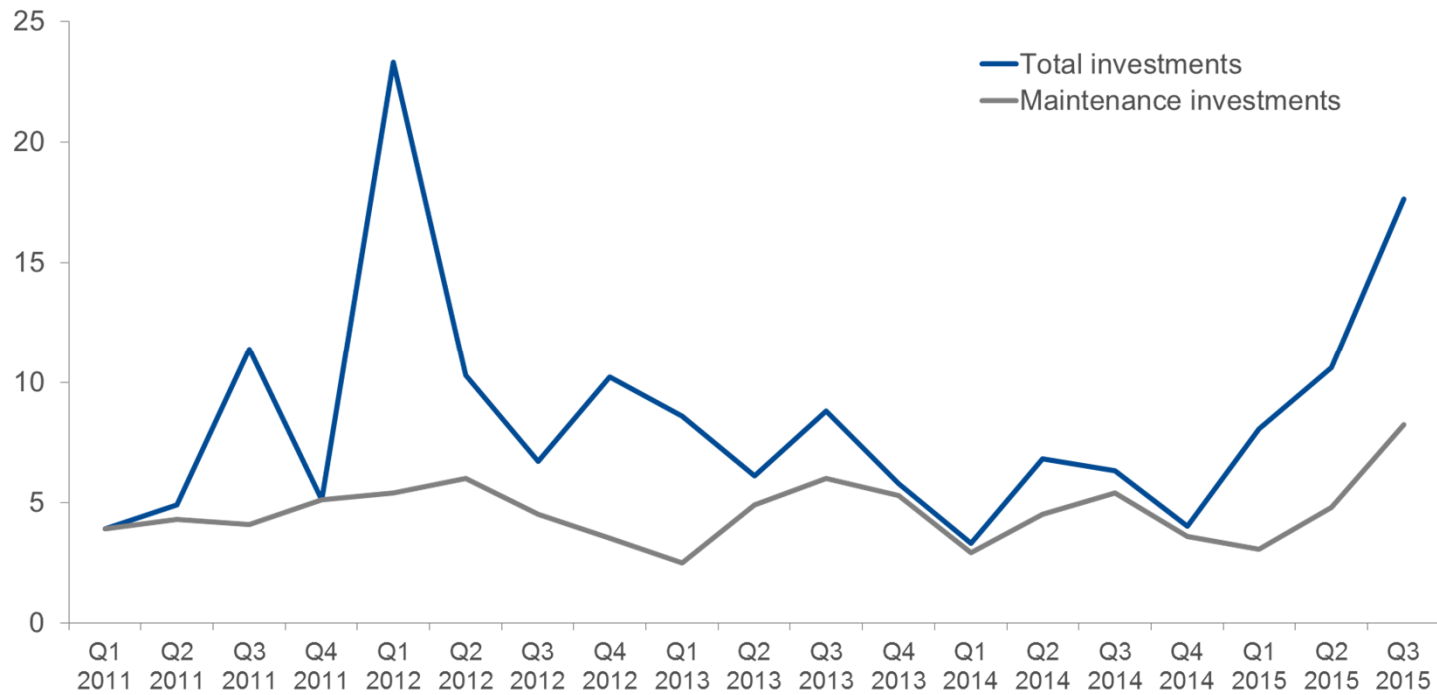
Cash decreased by EUR 10.3 million from year-end 2014



CAPEX 2011 TO 2015

Total CAPEX EUR 36.3 million in 9M 2015, thereof maintenance CAPEX EUR 16.1 million

EUR million



- Increased CAPEX in Q3
 - Cold storage in Hafnarfjörður, Iceland
 - Two harbor cranes
 - Vessel dockings

ONGOING PROJECTS AND FUTURE DEVELOPMENT



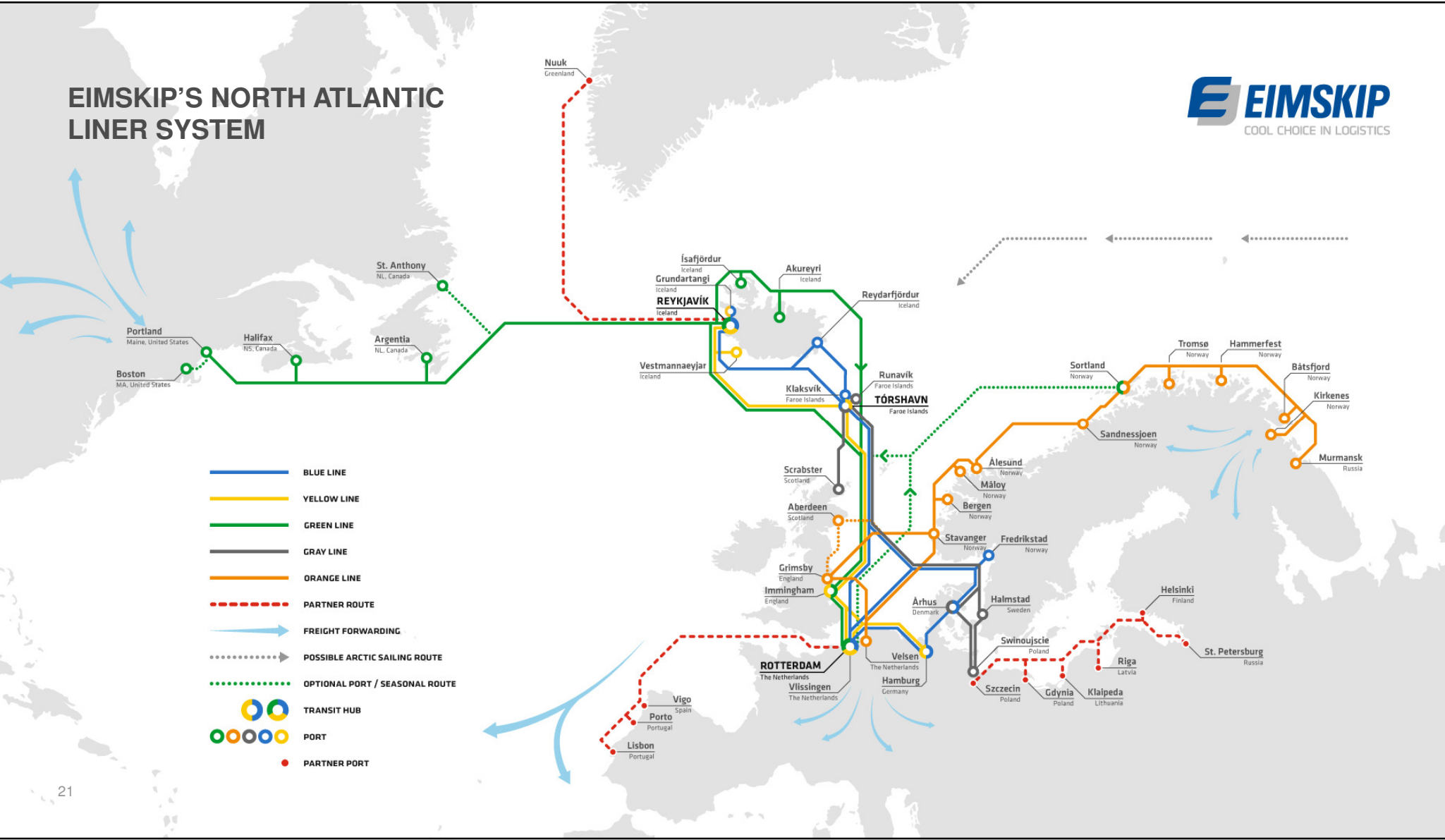


DYNAMIC SAILING SYSTEM

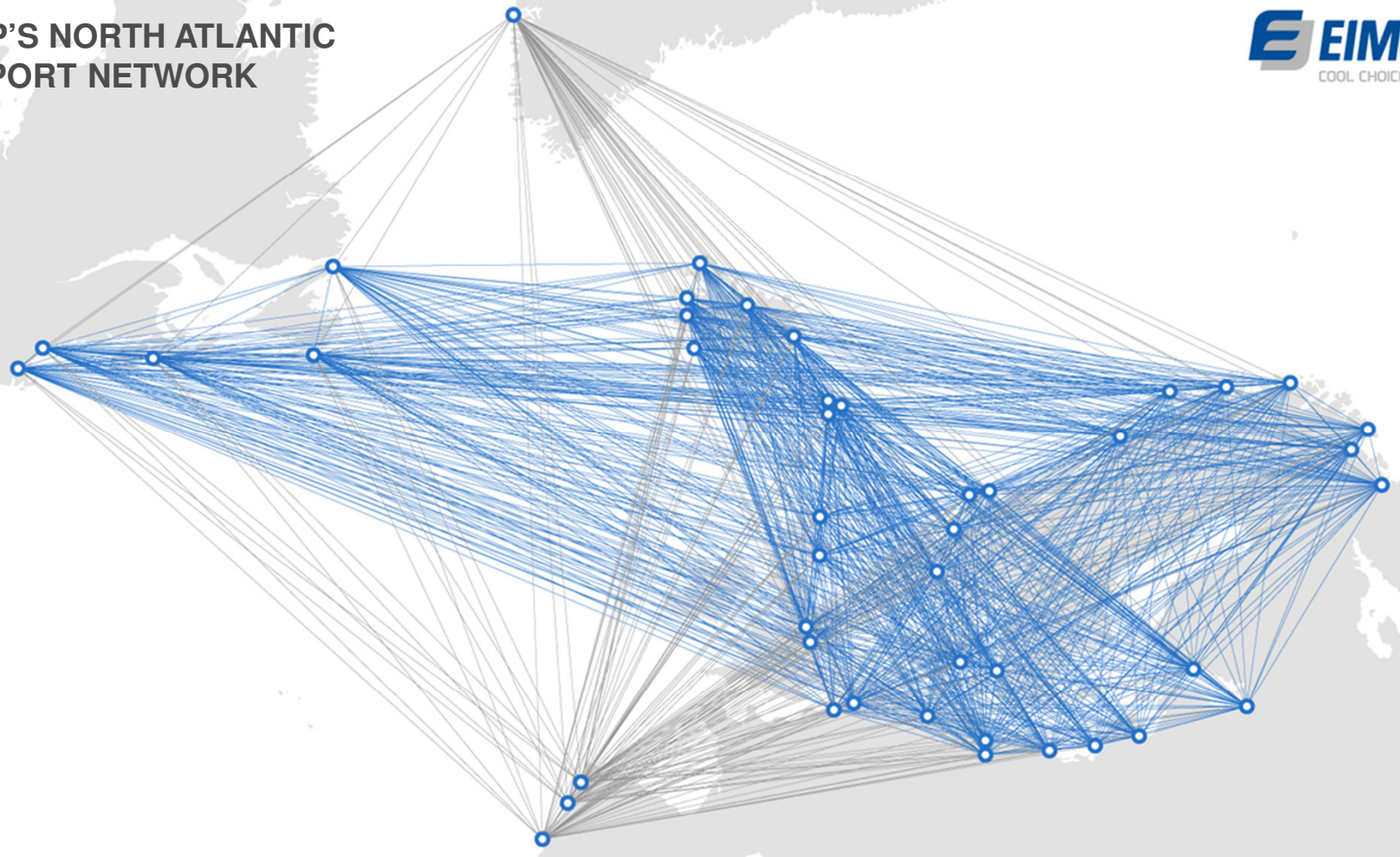
Flexible system meeting customer requirements

- In February 2015, the company's Green Line and Red Line were combined into a new Green Line with three vessels
 - A direct sailing route between Europe and North America with port calls in Iceland
 - Increased annual number of voyages between Europe and North America and short sea services between USA and Canada
- In April, adjustments were made to the Blue Line and the Yellow Line
 - The lines both call Hamburg every other week
 - Vlissingen in the Netherlands was added to the Yellow line to serve the aluminum industry in Iceland
- Services of the Gray Line were expanded in October
 - A 500 TEU chartered vessel was added to the line
 - The vessels Blikur and Lómur are serving on the line
 - New port calls were added in Århus in Denmark, Halmstad in Sweden and Swinoujscie in Poland

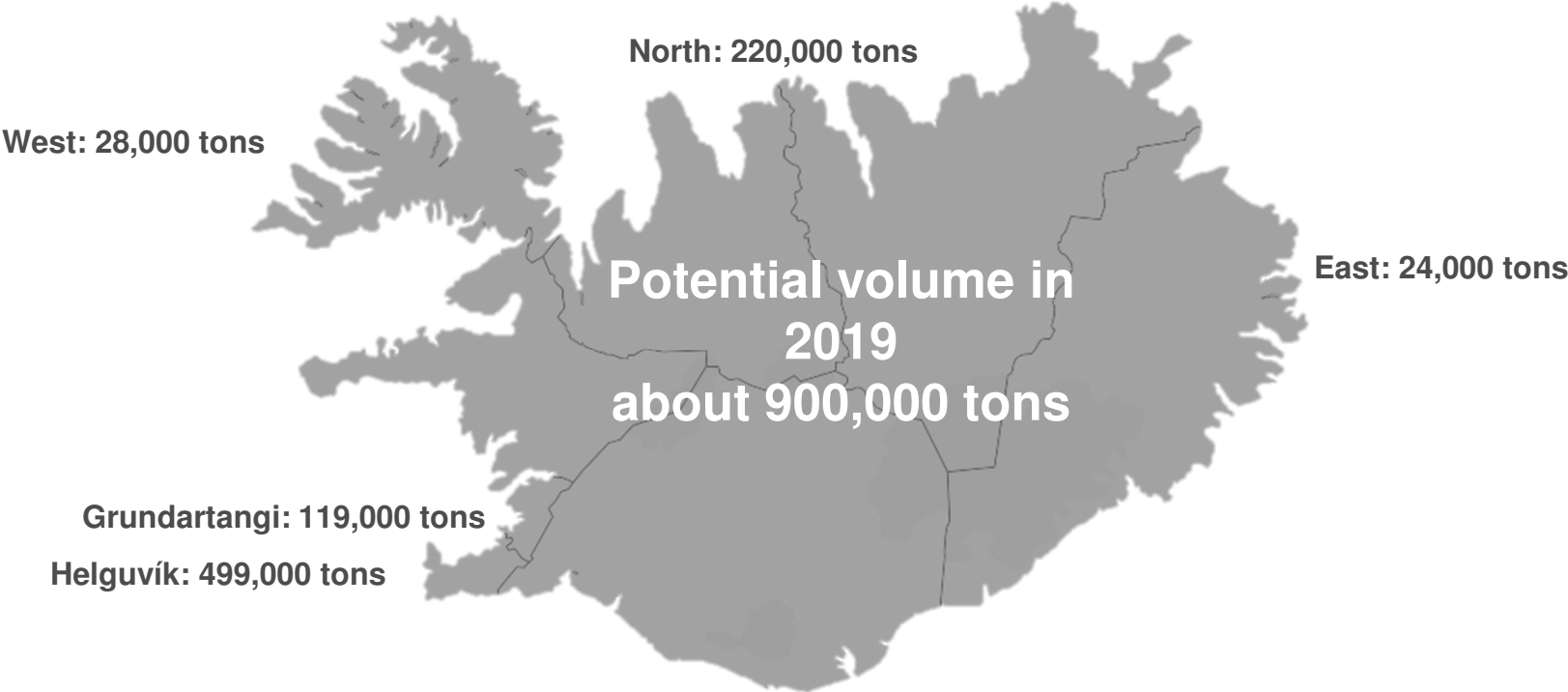
EIMSKIP'S NORTH ATLANTIC LINER SYSTEM



EIMSKIP'S NORTH ATLANTIC TRANSPORT NETWORK



POTENTIAL GROWTH RELATED TO HEAVY INDUSTRY AND FISH FARMING



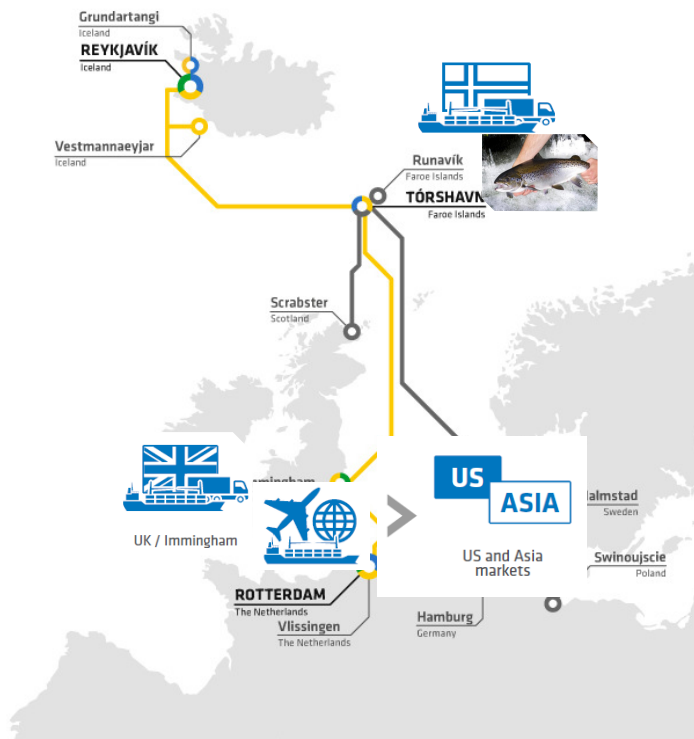
COLD STORAGE IN HAFNARFJÖRDUR

The first phase was taken into operation in November

- The first 5,000 tons of the new 10,000 tons facility were taken into operation this November
- The project is expected to be finalized before the end of the year
- The cold storage will offer services to
 - The pelagic industry
 - *Mackerel, herring, capelin, etc.*
 - Demersal fish
 - Retail and wholesale operators
 - *Frozen vegetable, fruits, bread, etc.*
 - Shrimp
 - Squid
 - Trawler services linked with cold storage
 - Other frozen products
- Annual turnover for the 10,000 ton cold storage and value added services is estimated to be about EUR 2.5 million



FRESH SALMON FROM THE FAROE ISLANDS TO ASIA AND USA





COOPERATION WITH COSCO

- Cosco is the largest Chinese transportation company and the sixth largest container carrier in the world
- Eimskip and Cosco are in a close working cooperation partnership regarding the following
 - Reefer forwarding
 - Intra-Asia trade
 - North Atlantic area to Asia
 - Short Sea in Europe
 - Container investments
 - Shipbuilding
 - The Northern Sea Route

GROWTH IN LINE WITH STRATEGY

Through acquisitions and joint ventures

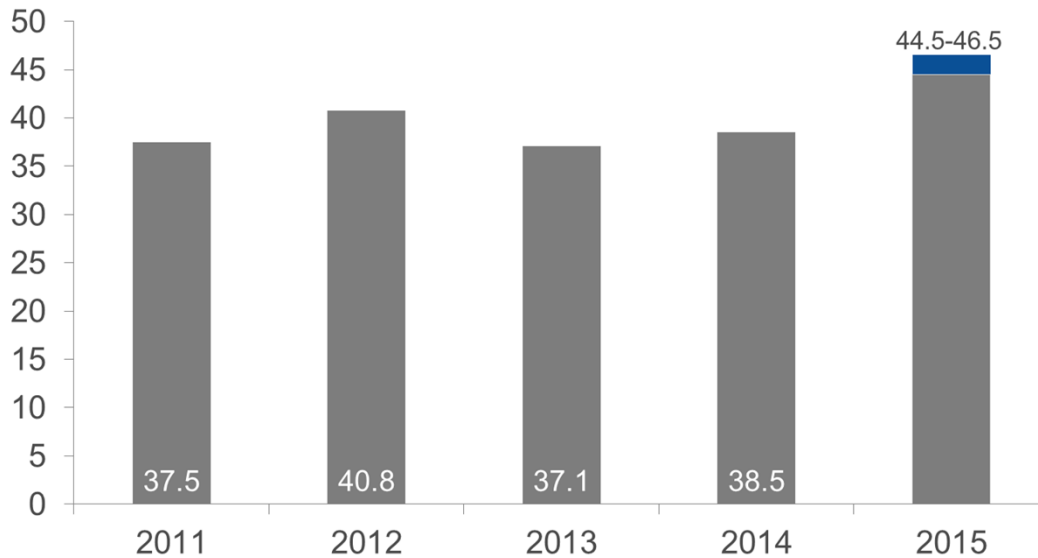
- Eimskip's plans for external growth are, in line with current vision and strategy, to make accretive acquisitions that create synergies, strengthen the company's performance and increase shareholder value
- Reasonably sized acquisitions and joint venture projects
 - Container liner operations
 - Reefer and dry vessel operations
 - Terminal operations
 - Port located cold storages with strong connection to the seafood industry
 - Trucking to serve Eimskip's needs and third-party
 - Custom clearance / freight forwarding companies
 - Continued focus on opening new offices supporting the existing network



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CHANGED EBITDA FORECAST FOR 2015

EBITDA in the range of EUR 44.5 to 46.5 million



- The EBITDA forecast for 2015 has been changed to the range of EUR 44.5 to 46.5 million
- Assumptions for the forecast
 - Continued growth in volumes to and from Iceland
 - Increased volume in Norway
 - Growth in international reefer forwarding in Newfoundland and the Netherlands
- Uncertainty
 - The Faroe Islands' export of pelagic fish and salmon
 - Wage agreements with Eimskip's marine officers
 - The global economy, lower volumes in world trade
 - General uncertainty regarding volumes, rates, fuel costs, currency rates and competition

Q & A

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