

News release:

18 September 2007

Financial results in the third quarter 2007 in line with expectations

Hf. Eimskipafélag Íslands - Financial Overview of first nine months of 2007

- Operating revenues of EUR 1,184 million
- Operating expenses of EUR 1,128 million
- EBITDA EUR 100 million - EBIT EUR 31 million
- Net gain EUR 9 million
- Total assets EUR 1,946 million
- Working capital from operating activities EUR 40 million
- Total equity at 31 of July EUR 569 million - equity ratio 29%
- Current ratio 1

Baldur Gudnason, CEO of Eimskip:

"Eimskip's financial performance in the first nine months, ended 31 of July 2007, was in line with management's expectations. Turnover for the first nine months of the year is approximately EUR 1,184 million and EBITDA was EUR 100 million. Thereof EUR 92 million are generated from the shipping and logistics activities while the aviation units generated EUR 8 million. Operations continue to be characterised by steady growth, both in revenues and profits. EBITDA margin was 6,2% in 2006 and has increased to 9% in third quarter 2007. Much effort has been put into integration and restructuring of new units within the Group.

Eimskip has become the largest coldstore company in the world with approximately 200 coldstores in five continents. Eimskip aims to grow further in transportation, shipping and coldstores globally and focuses on further opportunities in that area.

Our long term strategy is to build a worldwide network of temperature controlled transportation and warehousing services. We have simplified our operations and focus on further growth in temperature controlled transportation and storage. We are currently a key international player in this field and we strive to seize an increased share in the upcoming growth of the industry."

Financial statements 1 of April 2007 to 31 of July 2007

	3 quarter 2007	3 quarter 2006
Operating revenue	387.233	179.761
Operating expenses	(377.409)	(178.956)
Operating profit (loss)	<u>9.824</u>	<u>806</u>
Financial income (expenses)	(15.555)	(9.459)
Share in profit from associates	<u>18.725</u>	<u>(1.367)</u>
Profit (loss) before tax	12.994	(10.020)
Income tax	<u>1.139</u>	<u>2.230</u>
Net profit (loss) for the period	<u>14.133</u>	<u>3.760</u>
EBITDA	<u>34.330</u>	<u>14.566</u>

Operating revenues in the third quarter amounted to EUR 387 million compared to EUR 180 million in the same period last year. Operating expenses were EUR 377 million compared to EUR 179 million in the same period last year.

Net profit for the period amounted to EUR 14 million for the Group compared to EUR 4 million loss in the third quarter of 2006.

Financial expenses amounted to EUR 16 million in third quarter compared to EUR 9 million in 2006. Financial expenses are high due to a short term loan related to the acquisition of Atlas Cold Storage at the beginning of

the year. The disposal of Atlas properties will be finalised before end of year 2007 and the proceeds will be used to repay the loan.

Financial ratios and key figures

	3 Q 2007	2 Q 2007	1 Q 2007	2006
Equity ratio	29,2%	28,9%	26,5%	37,0%
Current ratio	1,00	0,93	0,95	1,39
EBIT	9.824	10.475	10.836	(11.734)
EBITDA	34.330	33.176	32.289	64.229
EBIT / revenue	2,5%	2,6%	2,7%	-1,1%
EBITDA / revenue	8,9%	8,4%	8,1%	6,2%

Balance sheet

During the period, Hf. Eimskipafélag Islands' balance sheet changed considerably, mostly because of the acquisition of Atlas Cold Storage in the beginning of the year in addition to the full acquisition of Daalimpex on 1st of January and Innovate in June.

Total assets amounted to EUR 1,946 million at 31 of July compared to EUR 1,452 million at 1 of November 2006. Equity increased from EUR 538 million to EUR 569 million during the period. The equity ratio was 29% at the end of the period compared to 37% at the beginning of the year due to international investments. Current ratio was 1 at 31 of July but was 1,39 at year end 2006. Total debt amounted to EUR 914 million at the beginning of the year compared to EUR 1,377 million at 31 of July.

At end of July the Group held cash available amounting to EUR 67 million compared to EUR 181 million in the beginning of the year. At the beginning of the year strong cash position was needed for upcoming payments due to acquisitions.

Cash flow

The Group's working capital from operations was EUR 40 million for the the first nine months of 2007. Cash flow from operating activities was EUR 126 million. Capital expenditure amounted to EUR 567 million thereof were EUR 416 million because of acquisitions of Atlas Cold Storage, Corby Chilled, Containerships and Daalimpex.

Quarterly statements in EUR thousands

	3 quarter 2007	2 quarter 2007	1 quarter 2007	4 quarter 2006	3 quarter 2006
Operating revenue	387.233	397.096	399.323	284.025	179.761
Operating expenses	(377.409)	(386.621)	(388.487)	(295.853)	(178.956)
Operating profit (loss)	<u>9.824</u>	<u>10.475</u>	<u>10.836</u>	<u>(11.828)</u>	<u>806</u>
Financial income (expenses)	(15.555)	(13.939)	(18.393)	(594)	(9.459)
Share in profit from associates	18.725	210	689	664	(1.367)
Profit (loss) before tax	<u>12.994</u>	<u>(3.254)</u>	<u>(6.868)</u>	<u>(11.758)</u>	<u>(10.020)</u>
Income tax	1.139	3.493	1.247	21	2.230
Result from continuing operations	14.133	239	(5.621)	(11.737)	(7.790)
Discontinued operations	<u>0</u>	<u>0</u>	<u>0</u>	<u>132.027</u>	<u>11.550</u>
Net profit (loss) for the period	<u>14.133</u>	<u>239</u>	<u>(5.621)</u>	<u>120.290</u>	<u>3.760</u>
EBITDA	<u>34.330</u>	<u>33.176</u>	<u>32.289</u>	<u>5.561</u>	<u>14.566</u>

Future prospects

Projected turnover for Eimskip in the year 2007 was EUR 1,450 million and due to the acquisition of Versacold the turnover will increase. Projected EBITDA is EUR 135 million for the year 2007. The acquisition of Versacold will not have material effects on projected EBITDA for 2007 because of increased cost due to integration of the operation in America in the fourth quarter.

Activities in the third quarter of 2007

At the end of May Eimskip-CTG in Norway, received its third newbuilt reefer vessel in 18 months. Eimskip expects three additional reefer vessels in the next couple of years.

At the beginning of June Eimskip announced the acquisition of an additional 45% stake in Nottingham-based Innovate Holdings. Innovate is one of the biggest companies in temperature controlled transportation and storage in the UK with 30 coldstores at 11 locations in the UK. Eimskip previously held a 55% share in Innovate. The purchase price was 30,3 million GBP or EUR 45 million. The purchase price was paid with new shares in Eimskip.

At the beginning of July Eimskip mandated ABN AMRO Bank N.V. to arrange and underwrite a EUR 300 million five year Revolving Investment Facility. The Facility will be used for further developments of Eimskip's intensive transportation network and cold stores network which is in line with Eimskip's vision to become a key international player in temperature-controlled cargo globally.

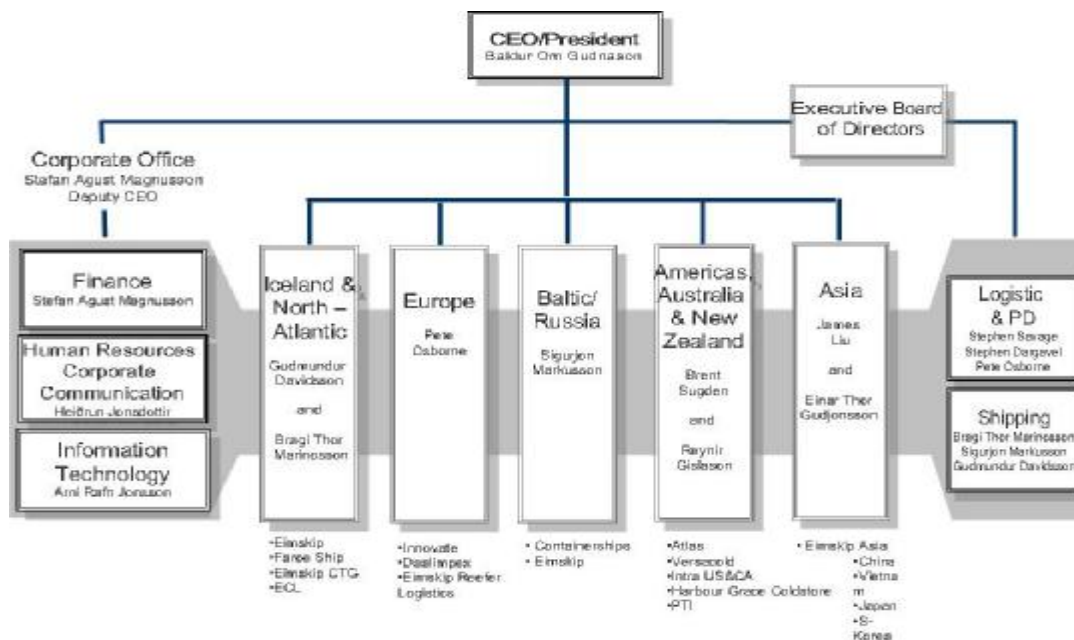
In the third quarter Eimskip announced the disposal of its 49% holding in Avion Aircraft Trading. The sales proceeds amounts USD 28 million, about EUR 21 million and the profit on disposal before tax is estimated to be USD 24 million, or approximately EUR 18 million. Eimskip announced its purposed disposal of the 49% holding of AAT in the end of May this year, as a part of Hf. Eimskipafelag Islands Board of Directors' decision to sell all aviation related assets. The disposal of Air Atlanta hf. is being undertaken along with Air Atlanta managers and associated consultants and is expected to be finalized within the next couple of months.

Subsequent events

On May 29 Eimskip announced its intention to make an offer to acquire all of the outstanding trust units of Versacold Income Fund. The total acquisition cost amounted to CAN\$ 1,200 million or EUR 830 million. Versacold is a leading public refrigerated warehousing (PRW) company in the United States and in the world, with 72 facilities in the U.S., Canada, Australia, New Zealand and Argentina. Versacold's operations provide global refrigerated storage capacity of approximately 290 million cubic feet to a diverse group of food producers, processors, and wholesale and retail distributors. Versacold also provides fully integrated refrigerated distribution services.

Organizational changes due to substantial growth

Eimskip has grown enormously recently and the turnover of the company has increased by more than 10 times in the last three years. In the last months much effort has been put on strategy and clear vision. Subsequently, a new organizational chart of Eimskip has been implemented. Eimskip's operation is still divided into key market areas. A special Executive Boards has been established which is led by Baldur Guðnason, CEO and Stefan Agust Magnusson, CFO. Other members of the Executive Board are divided into logistic and property development team and shipping team. Stephen Savage will lead commercial and legal matters of the group. Stephen Dargavel will lead property development of the group. Other members of the Executive Board are also leading other profit divisions. The new organizational chart of Eimskip as of September 2007:





At the beginning of September Gudmundur Davidsson was appointed CEO of Eimskip in Iceland. Eimskip's North-Atlantic division was parted into two divisions due to substantial growth recently. Iceland is thus a special division of Eimskip. Gudmundur Davidsson was appointed CEO of Iceland, while Bragi Thor Marinsson will be the CEO of North-Atlantic.

In September, Brent Sugden, Versacold's CEO, was appointed CEO of the coldstorage operation of Eimskip in America. Both Versacold and Atlas Cold Storage, which operate approximately 120 coldstorages form this division. Reynir Gíslason, which has been the CEO of Eimskip's operation in Americas since July 2006 and the CEO of Atlas since November 2006 will continue to be the CEO of operations other than coldstorage in America.

Pete Osborne has been appointed CEO of Eimskip's operation in Europe. Eimskip's acquisition of Innovate in the UK recently has lead to the merger of Eimskip's operation in Europe and in the UK with a new CEO. Pete was formerly one of the owners of Innovate and together with Stephen Savage and Stephen Dargavel has developed the Innovate Group so that it has become the UK market leader in refrigerated transport. Pete has an extensive experience and expertise in logistics and property development which will come in good use in further growth in Europe. Björn Einarsson, which was the Executive President of Europe and TVG Zimsen will become the CEO of TVG Zimsen, subsidiary of Eimskip, as the company has grown substantially in the last year.

The CEOs of each market area will focus on operating and developing the daily operations. These changes will maximize the returns of the whole group.

Announcement of financial results of 2007

The financial results for the fourth quarter 2007 will be published on:

4Q 14.-18. January 2008

Results approved and presentation for analysts

The Board of Directors approved the results of the Group for the first nine months of 2007 at a Board Meeting on 18th of September 2007.

A meeting for shareholders and market participants will be held on 18th of September at Eimskip's headquarters in Sundaklettur, Korngarðar 2, at 8:30 to present the Group's interim results. The presentation will be published on the Group's website as soon as the meeting is finished. Baldur Guðnason, CEO of Eimskip and Stefan Agust Magnusson, CFO will present the Group's results and answer questions.

The third quarter results can be viewed at Hf. Eimskipafélag Íslands' website: www.eimskip.is

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About Eimskip

Hf. Eimskipafelag Islands is one of the largest companies in Iceland and is publicly listed on the Icelandic Stock Exchange. The company has over 90 years of experience in providing transportation, warehousing and logistics services in Europe, primarily in the North Atlantic region.

Operating with 200 locations around the world in over 30 countries with a total of 14,500 employees, Hf. Eimskipafelag Islands has global reach. It owns or operates 50 vessels, 180 cold-store facilities, 25 wide body cargo aircraft and 2,000 trucks and trailers.



Eimskip is traded on the Icelandic Stock Exchange under the symbol of HFEIM. To find out more about Eimskip, visit our website at www.eimskip.is.