



30 August 2013

Second quarter and six months 2013 results





Agenda

1. Highlights

2. Q2 and 6M 2013 financial results

3. Outlook

4. Q&A



Key highlights Q2 and 6M 2013

EUR millions	Q2 2013	Q2 2012	Change	6M 2013	6M 2012	Change
Operating revenue	108.1	106.9	1.2%	213.4	203.2	5.1%
EBITDA	9.8	12.3	(19.8%)	17.1	19.0	(10.4%)
EBIT	4.8	6.4	(25.2%)	6.9	7.8	(11.0%)
CAPEX	6.1	10.3	(40.8%)	14.7	33.6	(56.3%)
Net cash from operating activities	8.2	13.0	(36.9%)	5.9	16.8	(65.0%)
Total assets	314.1	299.8	4.8%	314.1	299.8	4.8%
Equity ratio	63.9%	61.6%	3.7%	63.9%	61.6%	3.7%

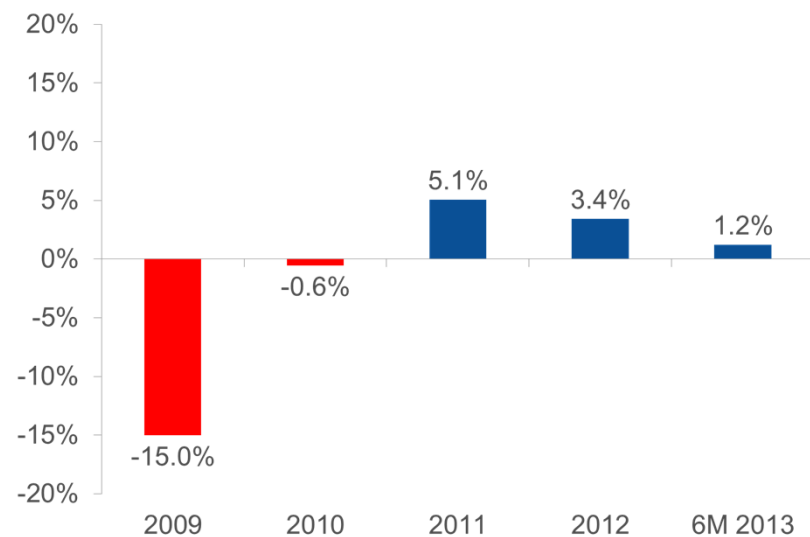
Key highlights

- Macro-economic conditions in Iceland are still challenging
- According to Statistics Iceland, total import volumes to Iceland during the first six months have declined by 4.8% and export has declined by 0.5% from the same period last year
- Eimskip's transported volume in the North Atlantic liner services has increased by 1.2% from last year, with increases in the Faroe Islands, Norway and between Europe and North America, but offset by a decline in import to Iceland
- 9% increase in transported volume in the company's reefer forwarding services
- Major changes to the company's sailing schedule were launched in March, strengthening the company's future organic growth and creating new opportunities for the company and its customers
- Increase of system capacity by 7.7% by adding one vessel to the sailing schedule has increased fixed cost and decreased the EBITDA in Q2 by EUR 0.8 million from last year
- It will take time to build volume and revenue to cover the additional costs
- The company has seen import volumes return to prior level for the first six weeks of the third quarter
- The company's EBITDA forecast for 2013 is in the range of EUR 36 to 40 million

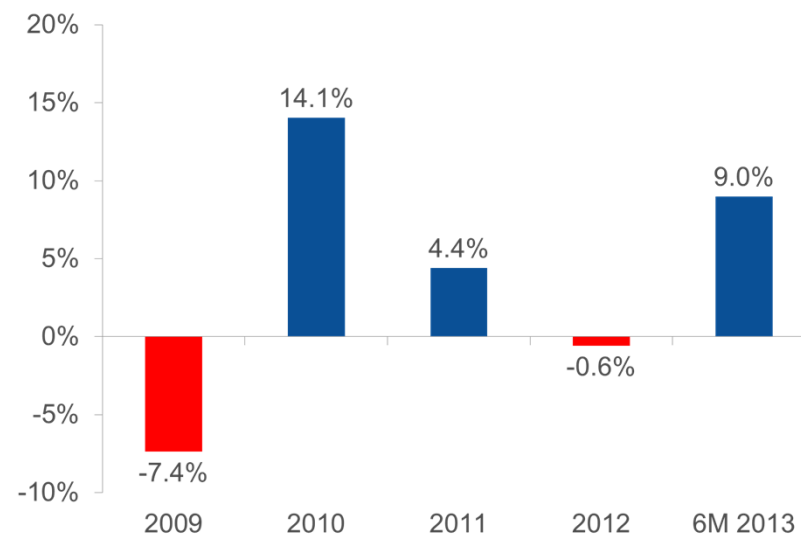
Transported volume

Liner services and reefer forwarding

Liner services



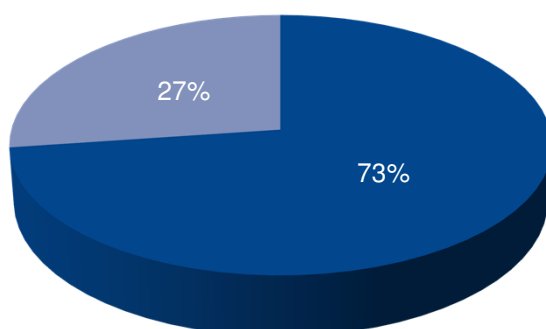
Reefer forwarding



Operating revenue by segments

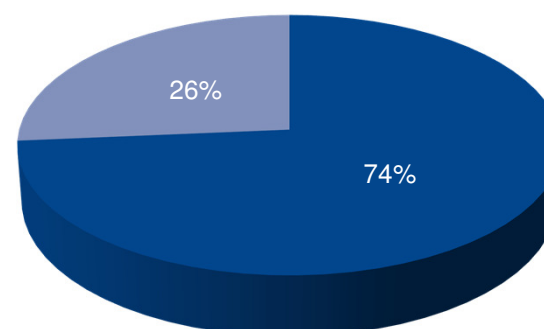
Liner services and forwarding services

6M 2013



■ Liner services ■ Forwarding services

6M 2012

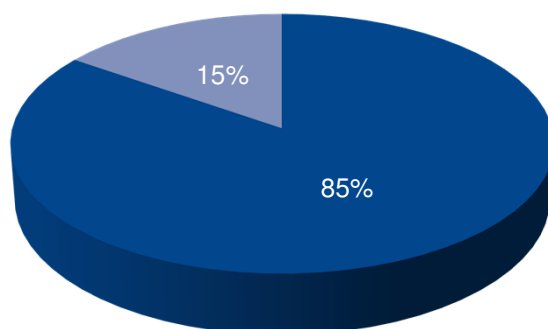


■ Liner services ■ Forwarding services

Operating profit, EBITDA, by segments

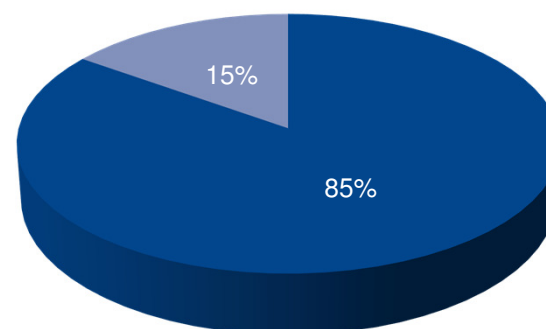
Liner services and forwarding services

6M 2013



■ Liner services ■ Forwarding services

6M 2012

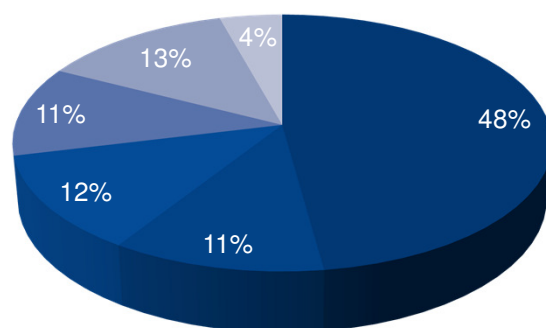


■ Liner services ■ Forwarding services

Geographical split of operating revenue

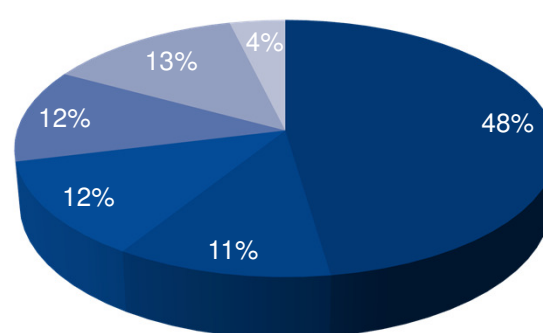
Less than half of the operating revenue is related to Iceland

6M 2013



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

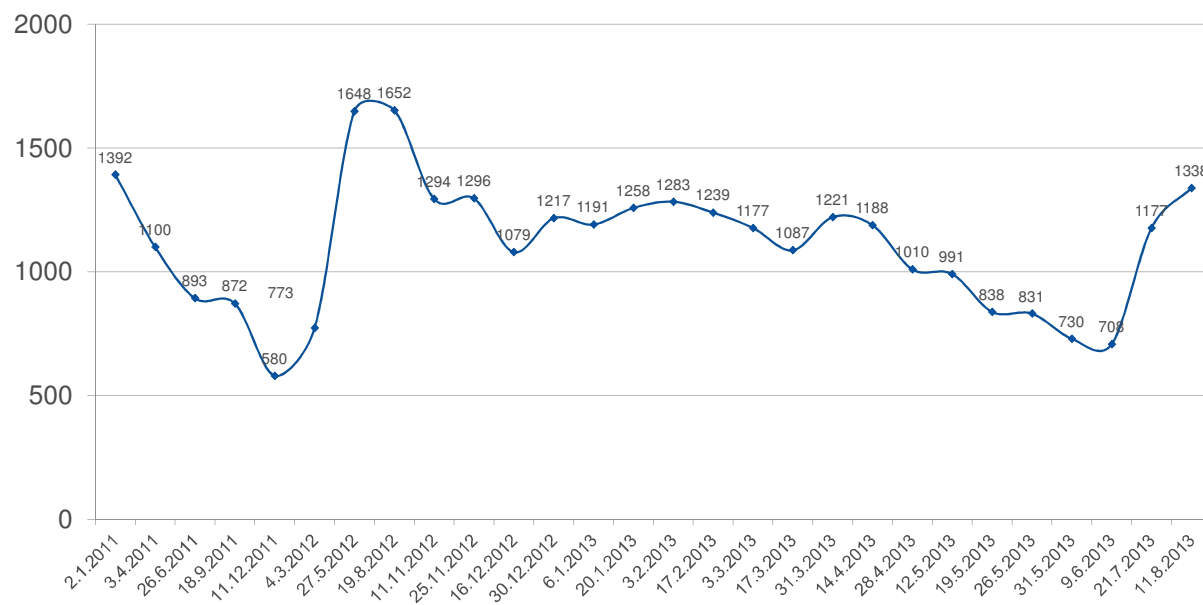
12M 2012



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

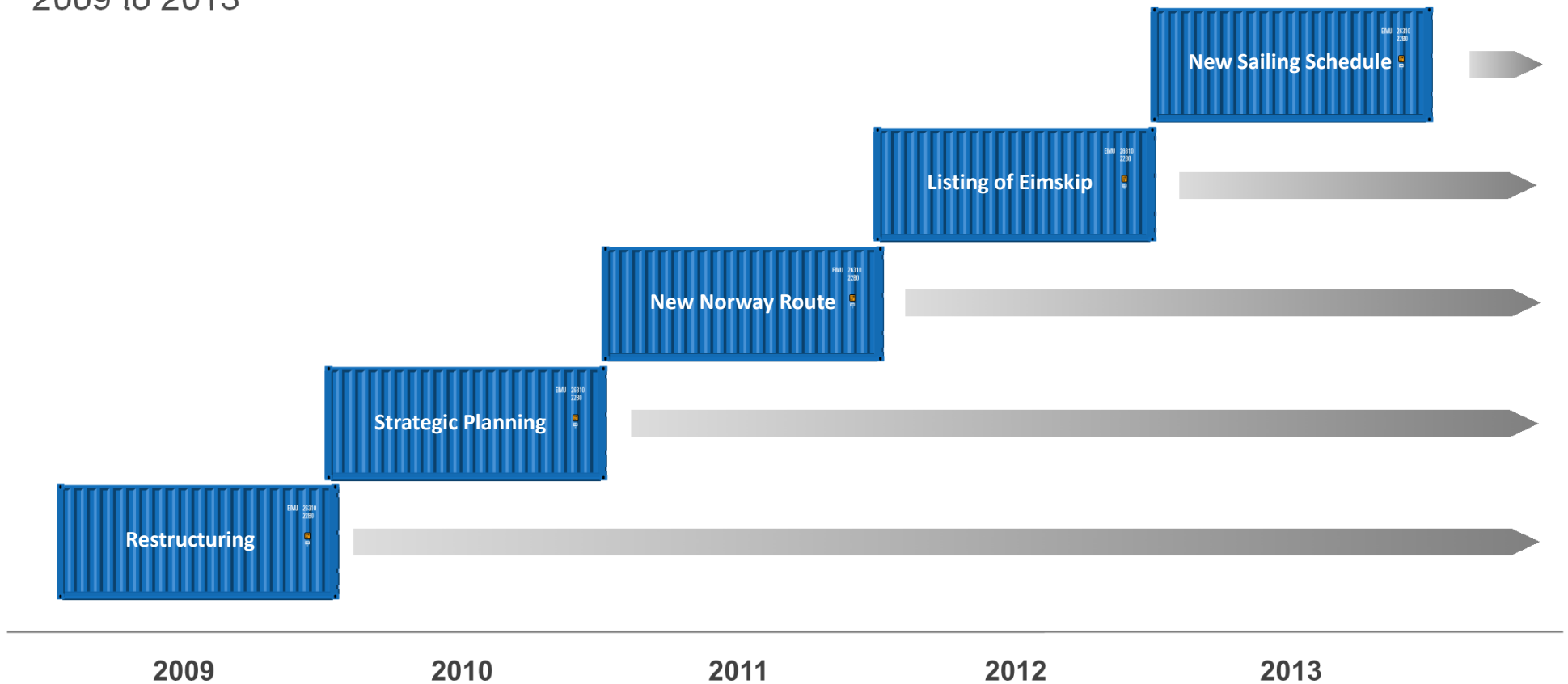
Freight index China - Europe

Fluctuations in pricing from the deep sea carriers



Source: www.shippingchina.com

Development after restructuring 2009 to 2013



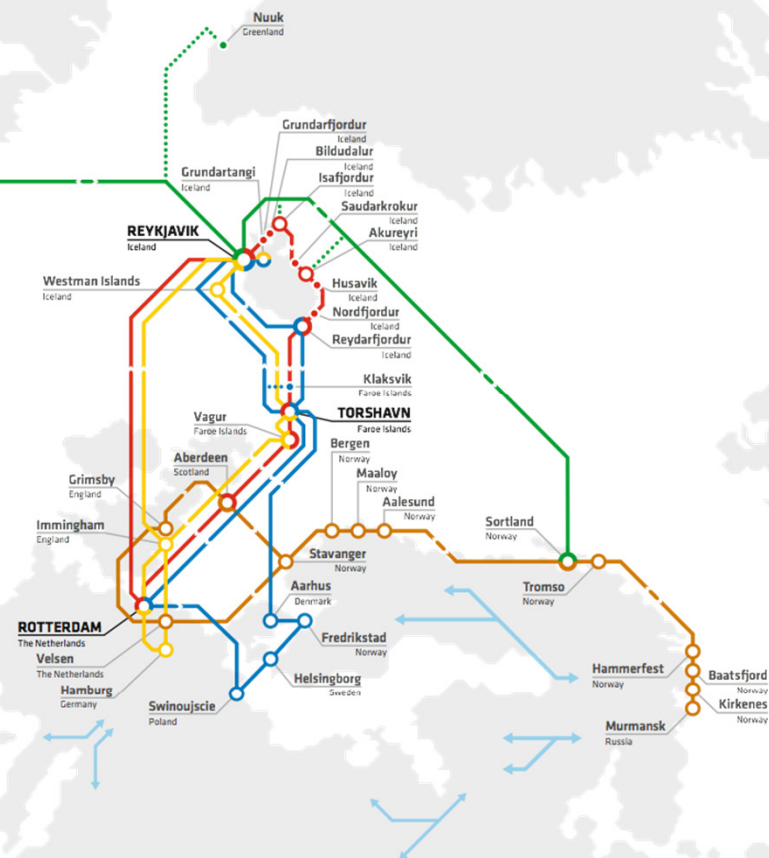
Significant changes in Eimskip's sailing schedule

Introduced 6 March 2013

- The main changes are
 - Increased capacity in the liner system by 7.7% by adding one vessel to the sailing schedule
 - Weekly coastal services around Iceland, connecting Faroe Islands with direct connection to the UK and mainland Europe and new services for fresh salmon from the Faroe Islands to the UK
 - New calls in Portland, Maine in the USA, increasing frequency and shortening transit time to and from the USA connecting with Newfoundland, Iceland, Norway and mainland Europe
 - Increased services for the oil industry with direct services to and from Scotland
 - Direct connection to the Baltic with calls in Poland
 - To increase capacity on the Norwegian route, the vessel Ice Bird was moved from the spot service to the liner services



- **BLUE LINE**
Iceland, Faroe Islands, The Netherlands, Poland, Sweden, Norway, Denmark, Faroe Islands, Iceland
- **YELLOW LINE**
Iceland, Faroe Islands, England, The Netherlands, Germany, England, Iceland
- **RED LINE**
Iceland, Faroe Islands, Scotland, The Netherlands, Iceland
- **GREEN LINE**
Norway, Iceland, Newfoundland, Nova Scotia, United States, Newfoundland, Iceland
- **BROWN LINE**
Russia, Norway, The Netherlands, England, Scotland, Norway
- ↔ **FREIGHT FORWARDING**
- ... **OPTIONAL PORT / SEASONAL ROUTE**
- **MAJOR TRANSIT HUB**
- **TRANSIT HUB**
- **PORT**





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Income statement

Net earnings before income tax similar to last year

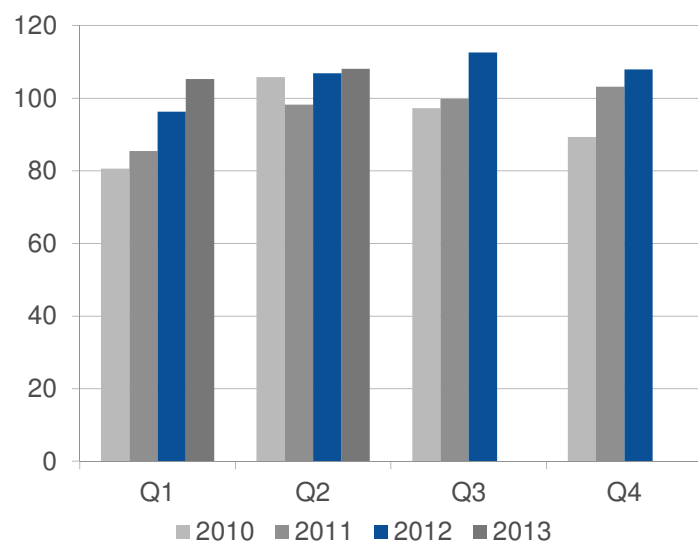
EUR thousands	Q2 2013	Q2 2012	Change	%	6M 2013	6M 2012	Change	%
Operating revenue	108,112	106,861	1,251	1.2%	213,425	203,151	10,274	5.1%
Operating expenses	98,273	94,595	3,678	3.9%	196,369	184,109	12,260	6.7%
EBITDA	9,839	12,266	(2,427)	(19.8%)	17,056	19,042	(1,986)	(10.4%)
Depreciation and amortization	(5,028)	(5,830)	802	13.8%	(10,162)	(11,292)	1,130	10.0%
EBIT	4,811	6,436	(1,625)	(25.2%)	6,894	7,750	(856)	(11.0%)
Net finance income (expense)	(2,067)	(1,021)	(1,046)	(102.4%)	(1,118)	(2,038)	920	45.1%
Net earnings before income tax	2,744	5,415	(2,671)	(49.3%)	5,776	5,712	64	1.1%
Income tax	(706)	1,979	(2,685)	(135.7%)	(1,206)	2,264	(3,470)	(153.3%)
Net earnings for the period	2,038	7,394	(5,356)	(72.4%)	4,570	7,976	(3,406)	(42.7%)

- Revenue increased by 5.1% from 6M 2012, mainly explained by volume increase in forwarding and freight increases in international shipping markets
- Drop in EBITDA from 2012 mainly due to changed sailing schedule and reduced import to Iceland
- Reduction of depreciation since part of the company's vessels are fully depreciated to their residual value
- Net finance expense in 6M this year was lower due to lower interest expense on loans and less currency loss than in 6M 2012
- Net earnings before income tax similar to last year, or EUR 5.8 million
- Income tax benefit in 2012 due to EUR 2.8 million recognized tax losses carried forward in a subsidiary

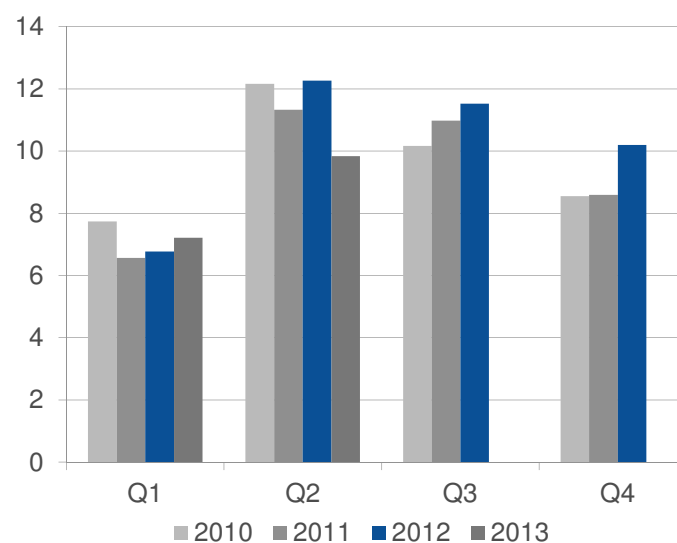
Operating revenue and EBITDA by quarters

Adjusted for one-off items in 2011 and 2012

Operating revenue by quarters



EBITDA by quarters



Balance sheet

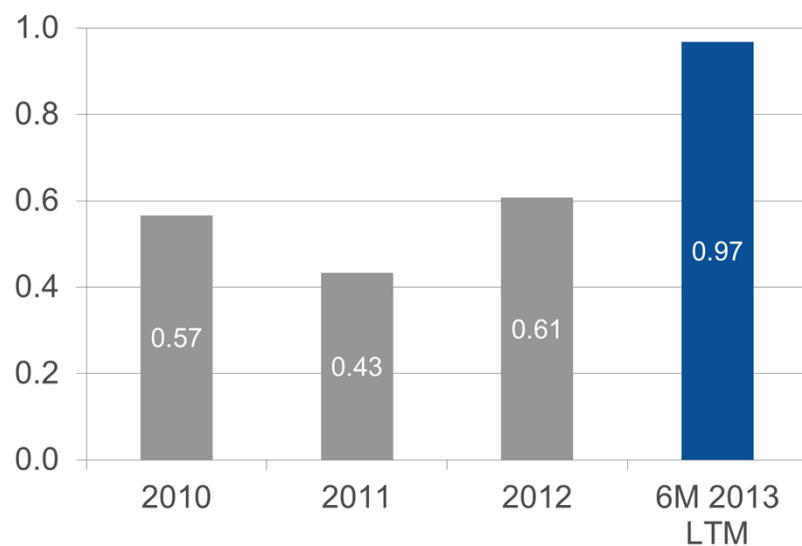
Solid with low leverage

EUR thousands	30.6.2013	31.12.2012	Change	%
Non-current assets	213,335	209,723	3,612	1.7%
Current assets	100,716	103,558	(2,842)	(2.7%)
Total assets	314,051	313,281	770	0.2%
Total equity	200,656	199,599	1,057	0.5%
Non-current liabilities	52,989	51,088	1,901	3.7%
Current liabilities	60,406	62,594	(2,188)	(3.5%)
Total liabilities	113,395	113,682	(287)	(0.3%)
Total equity and liabilities	314,051	313,281	770	0.2%

- Increase in non-current assets due to investments in vessels and other operating assets
- Reduction in cash and cash equivalents due to investments
- A payment of dividends of EUR 2.7 million was made at the end of April
- Eimskip owns about 3% treasury shares, or 5.9 million out of 200 million issued shares
- Equity ratio was 63.9% at the end of June
- Interest-bearing debt amounted to EUR 60.5 million at the end of June
- Net debt amounted to EUR 33.1 million

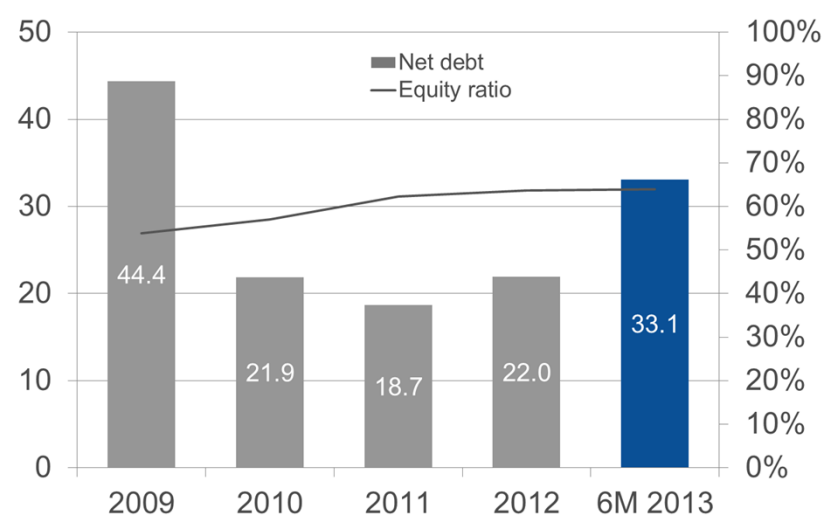
Financial ratios

Net debt / EBITDA



Net debt and equity ratio

EUR millions



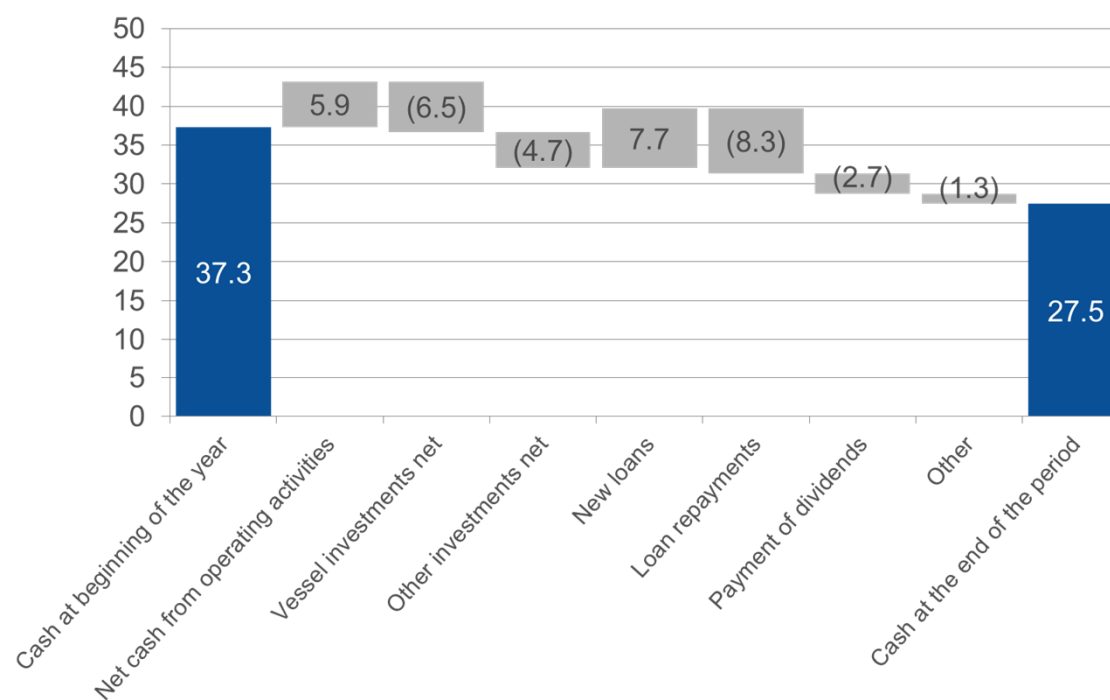
Strong cash flow and cash position

Decreased cash from year-end 2012 due to investments

EUR thousands	Q2 2013	Q2 2012	Change	%	6M 2013	6M 2012	Change	%
Cash flows from operations	8,226	13,045	(4,819)	(36.9%)	5,869	16,790	(10,921)	(65.0%)
Investing activities	(3,663)	(5,609)	1,946	34.7%	(11,708)	(27,586)	15,878	57.6%
Financing activities	(822)	(5,386)	4,564	84.7%	(3,300)	(5,854)	2,554	43.6%
Changes in cash and cash equivalents	3,741	2,050	1,691	82.5%	(9,139)	(16,650)	7,511	45.1%
Cash at the beginning of the period	23,977	24,997	(1,020)	(4.1%)	37,304	43,517	(6,213)	(14.3%)
Exchange rate fluctuations	(256)	154	(410)	(266.2%)	(703)	334	(1,037)	(310.5%)
Cash at the end of period	27,462	27,201	261	1.0%	27,462	27,201	261	1.0%

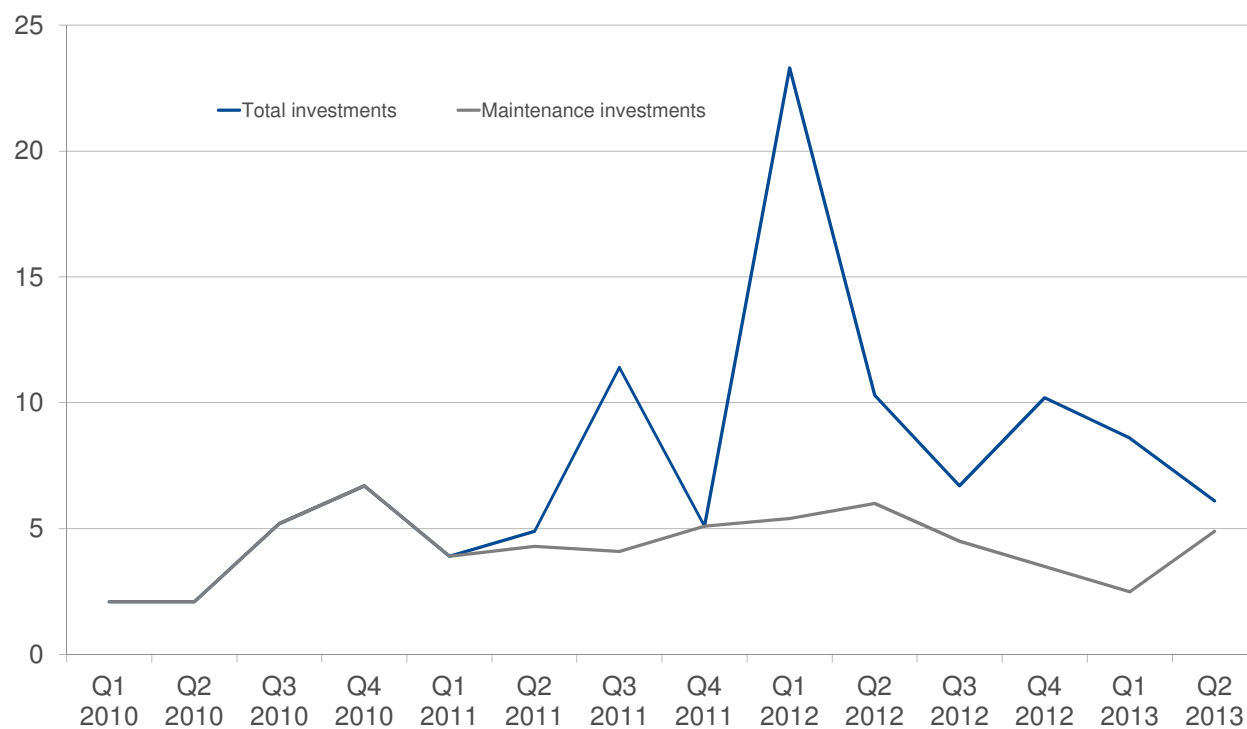
Cash flow bridge 2013

EUR millions



CAPEX 2010 to 2013

CAPEX affected by vessel investments





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Outlook

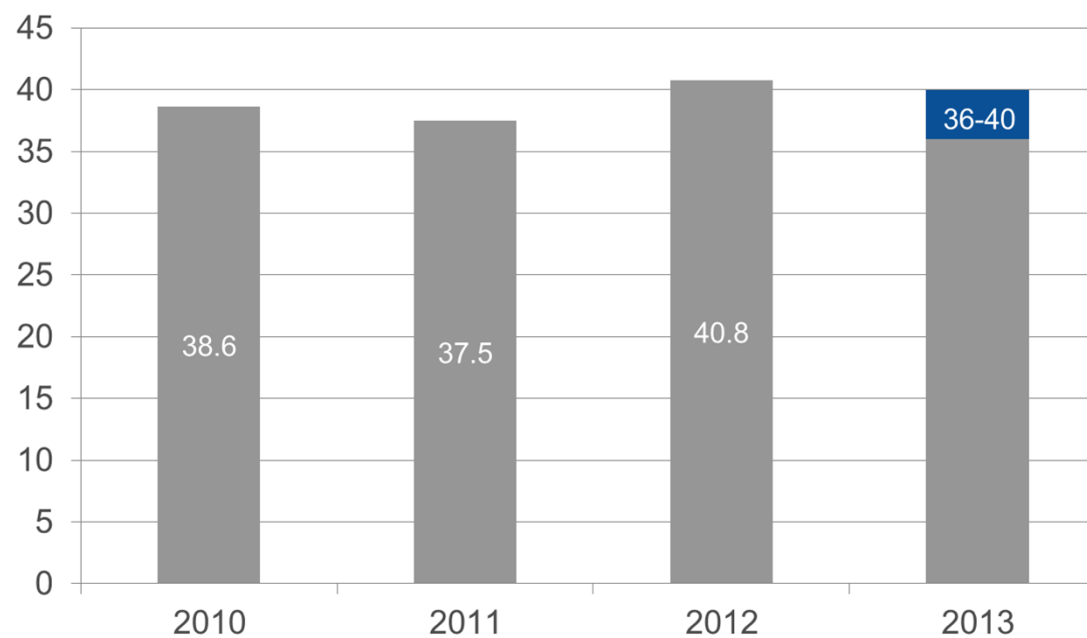
Various growth opportunities

- Continuing optimization and development of the liner services
- Marketing and selling of the new sailing schedule
- Increased focus on projects in connection with the coastal services in Iceland
- Opening of new offices outside Iceland
- Opportunities related to new projects in the Faroe Islands, in Northern Norway, Newfoundland, Portland in USA, Scotland, Poland, Greenland and Russia
- Growth opportunities in the home market in the North Atlantic, including projects in relation to the fishing and fish farming industry, heavy industry, oil, mining, terminal services and infrastructure projects
- The Arctic sailing route



EBITDA forecast

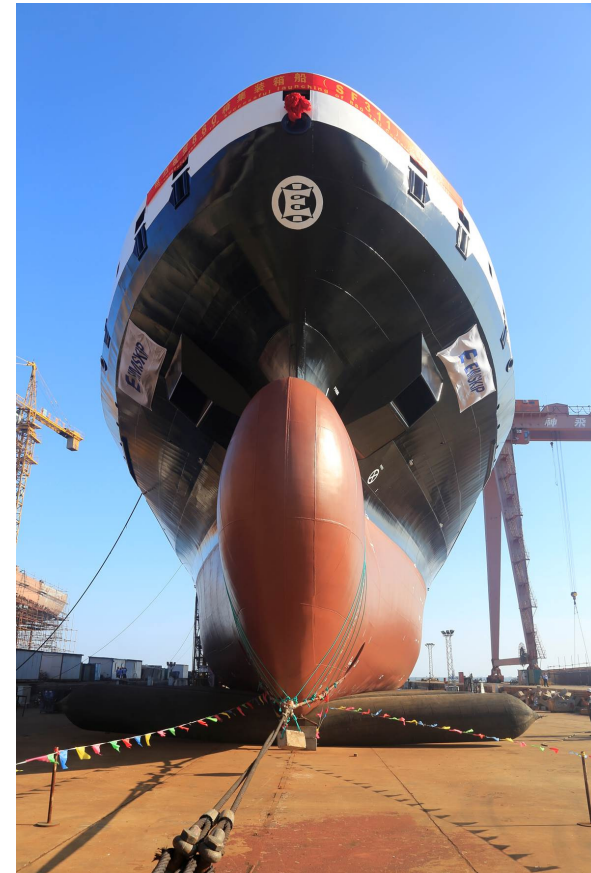
In the range of EUR 36 to 40 million for 2013



New vessel building project in China

The first vessel was launched on 25 August

- In 2011 Eimskip and the shipyard Rongcheng Shenfei in China made an agreement of building two container vessels
 - Each vessel's size is 875 TEU with container plugs for 230 reefer containers
 - Deadweight is about 12 thousand tons
 - The vessels are 140.7 meters long and 23.2 meters wide
- Eimskip has negotiated a total reduction of USD 10 million of the vessels' purchase price
- Eimskip has already paid USD 26 million which equals about 70% of the altered purchase price of the vessels
- The estimated delivery time of the vessels is in the first half of 2014



Q&A

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