FINANCIAL RESULTS 2015 AND FOURTH QUARTER RESULTS

26 February 2016

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HIGHLIGHTS

KEY HIGHLIGHTS 2015

Comparison to 2014

- ✓ Revenue EUR 499.6 million ⇨ up by 10.6%
- ✓ EBITDA EUR 45.2 million ⇨ up by 17.3%
- ✓ EBIT EUR 20.5 million ⇨ up by 33.4%
- ✓ Net earnings EUR 17.8 million ⇨ up by 30.8%
- ✓ Volume in liner services ⇨ up by 4.2%
- ✓ Volume in reefer forwarding services ⇨ up by 7.5%

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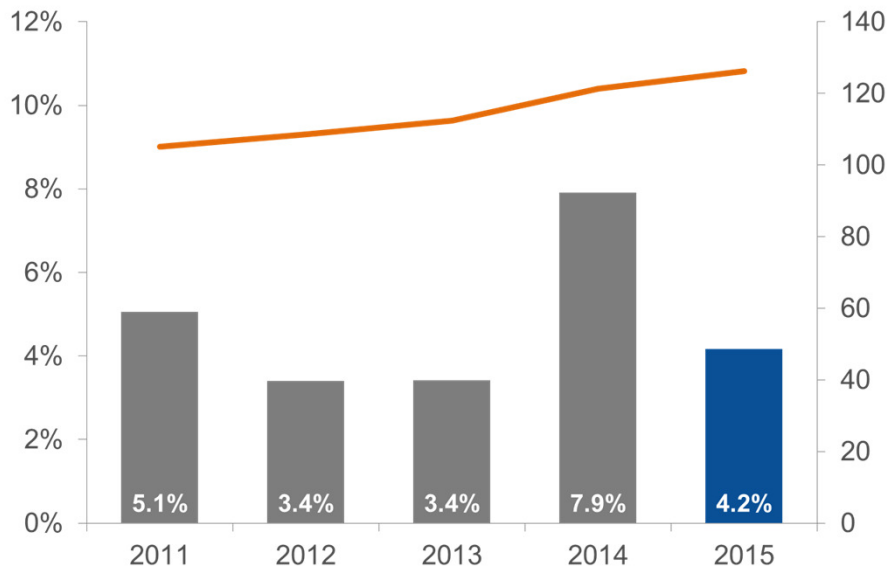
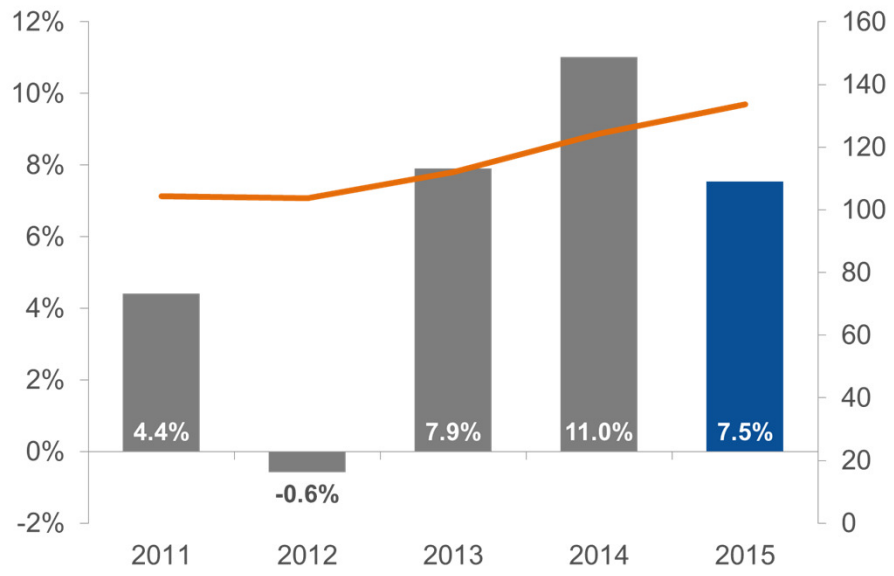
TRANSPORTED VOLUME 2011 TO 2015

Changes from the previous year

Liner services



Reefer forwarding



Volume index: 2010 volume at 100

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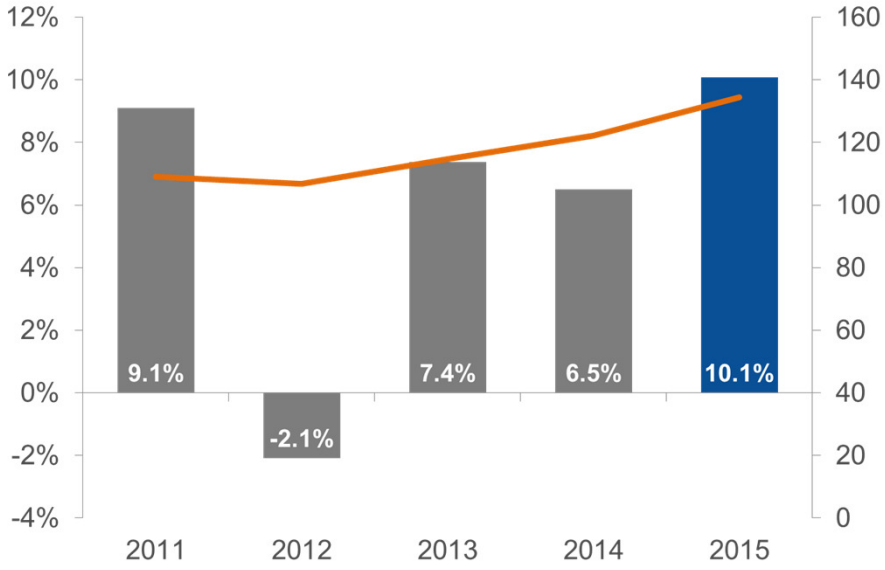
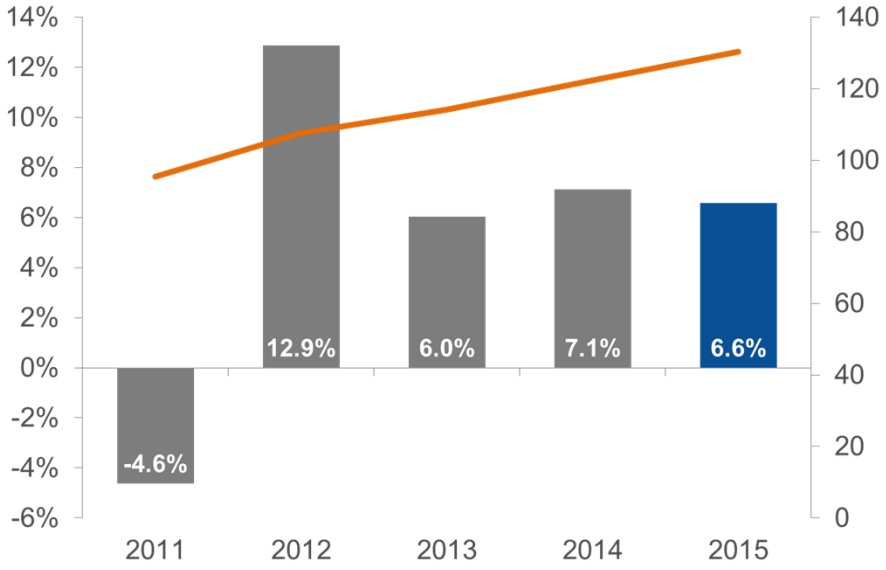
TRANSPORTED VOLUME IN Q4 2011 TO 2015

Changes from Q4 in the previous year

Liner services



Reefer forwarding



Volume index: 2010 volume at 100

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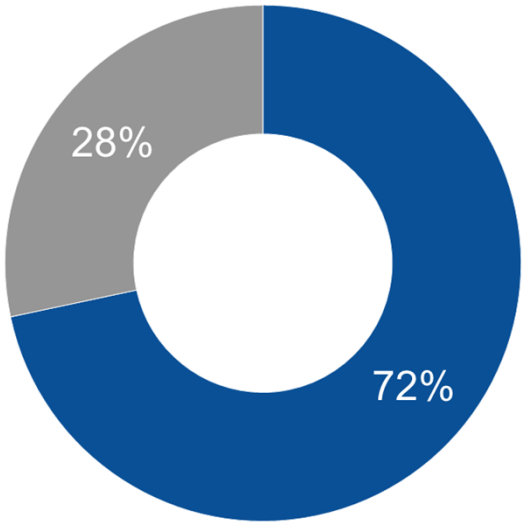
REVENUE BY SEGMENT

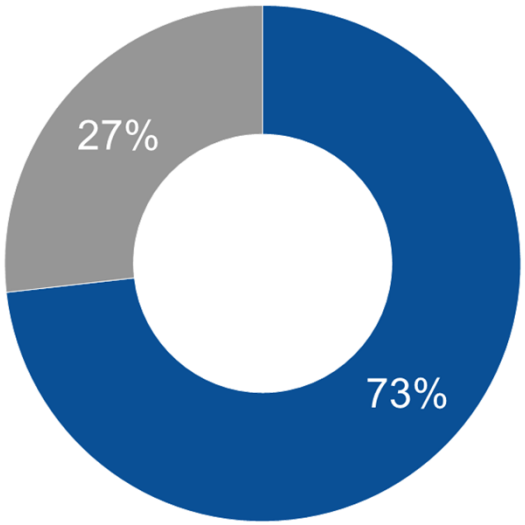
Liner services and forwarding services

2015



■ Liner services ■ Forwarding services

2014



■ Liner services ■ Forwarding services

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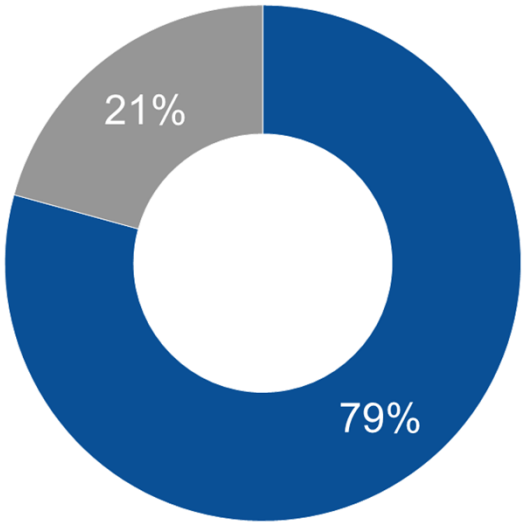
EBITDA BY SEGMENT

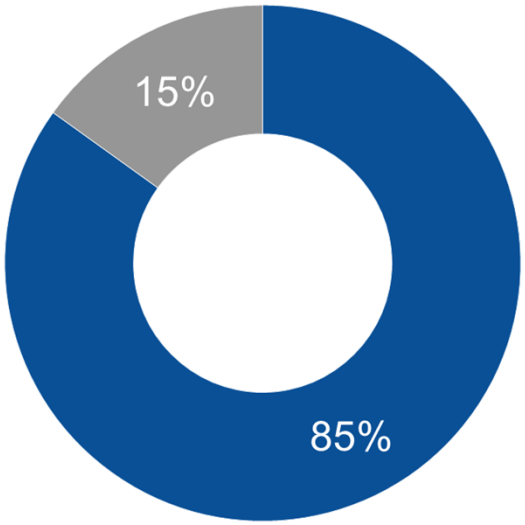
Liner services and forwarding services

2015



■ Liner services ■ Forwarding services

2014



■ Liner services ■ Forwarding services

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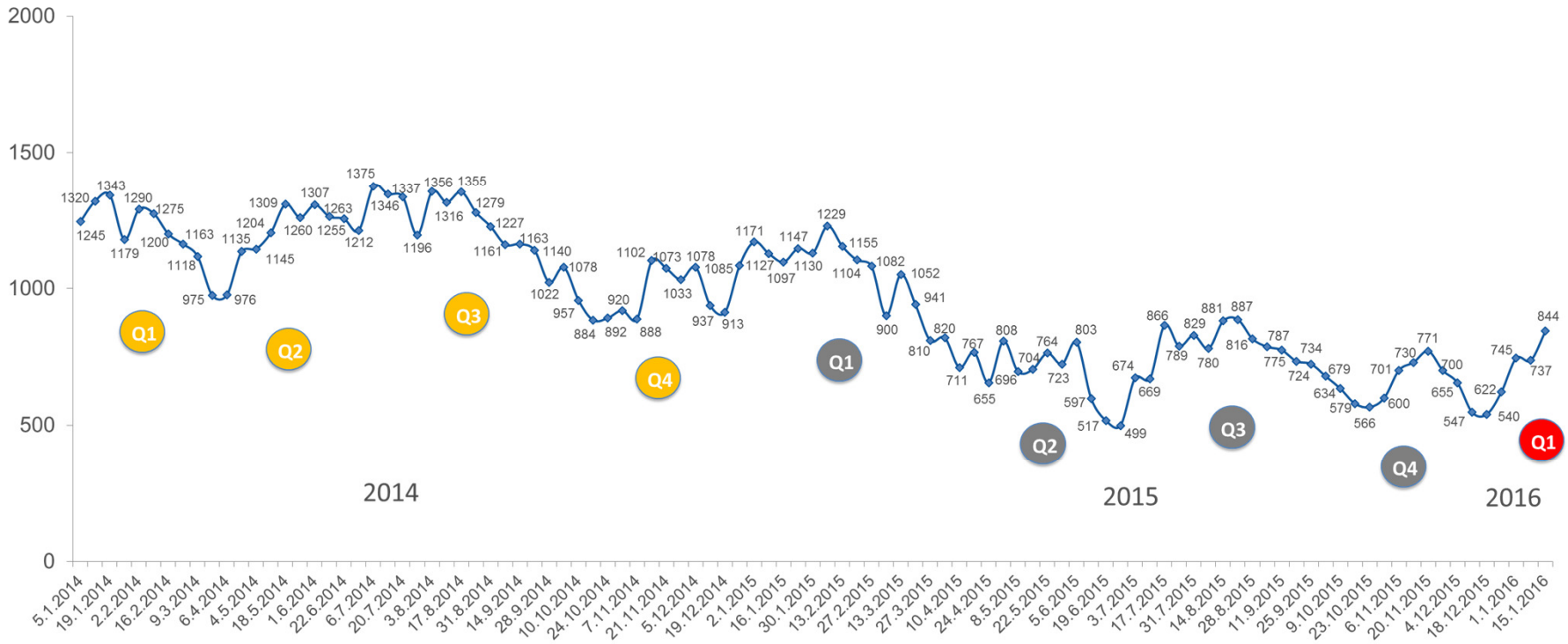
CHINA FORWARDERS FREIGHT INDEX

China - Europe



Source: www.shippingchina.com

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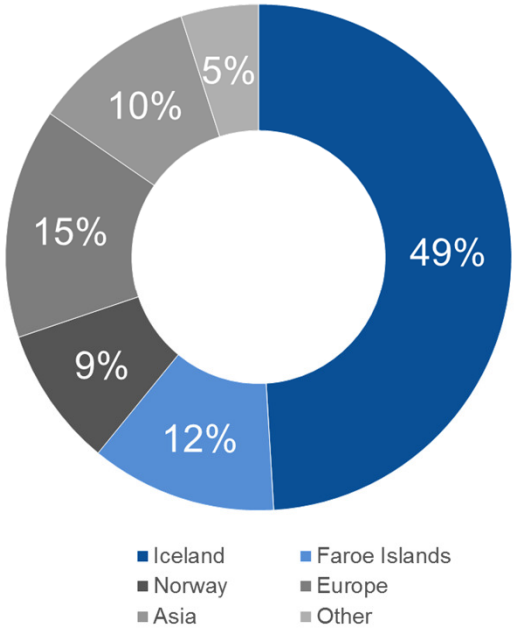
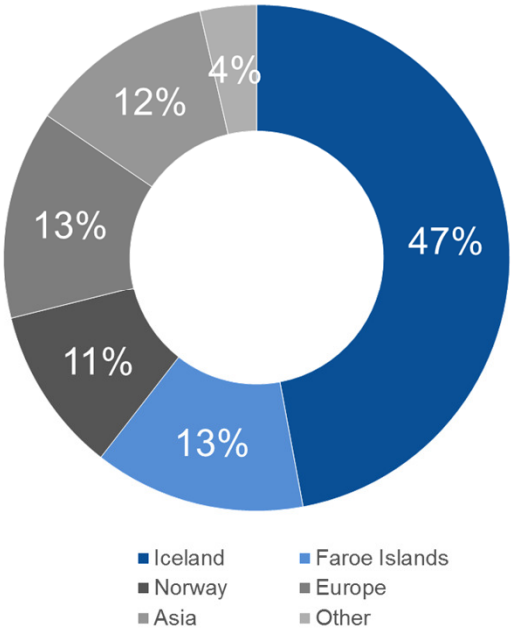
GEOGRAPHICAL SPLIT OF OPERATING REVENUE

Less than half of operating revenue is related to Iceland

2015



2014



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INCOME STATEMENT

Net earnings in 2015 grew by 30.8% from the previous year

- Operating revenue affected by new companies, 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 1.8 million in EBITDA during 2015
- Extraordinary cost item in the amount of EUR 0.9 million in Q4
- Increased depreciation is explained by regular vessel dockings, depreciation in new group companies and increased investments
- Increased finance expense in Q4 due to increased interest-bearing debt in the quarter was offset by higher currency exchange gain than in Q4 2014
- Net earnings for the year grew by 30.8% from 2014

EUR thousands	Q4 2015	Q4 2014	%	2015	2014	%
Revenue	130,610	118,794	9.9%	499,581	451,555	10.6%
Expenses	120,863	109,953	9.9%	454,384	413,013	10.0%
EBITDA	**9,747**	**8,841**	**10.2%**	**45,197**	**38,542**	**17.3%**
Depreciation and amortization	(7,271)	(6,052)	(20.1%)	(24,729)	(23,195)	(6.6%)
EBIT	**2,476**	**2,789**	**(11.2%)**	**20,468**	**15,347**	**33.4%**
Net finance income	392	169	132.0%	419	591	(29.1%)
Share of earnings (loss) of associated companies	79	(30)	-	331	229	44.5%
Net earnings before income tax	**2,947**	**2,928**	**0.6%**	**21,218**	**16,167**	**31.2%**
Income tax	(658)	(638)	(3.1%)	(3,416)	(2,560)	(33.4%)
Net earnings for the period	**2,289**	**2,290**	**(0.0%)**	**17,802**	**13,607**	**30.8%**

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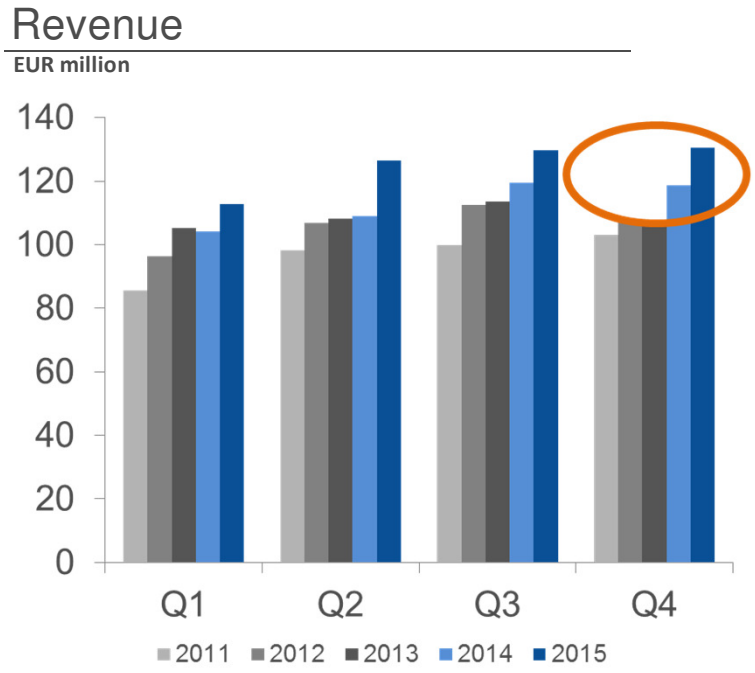
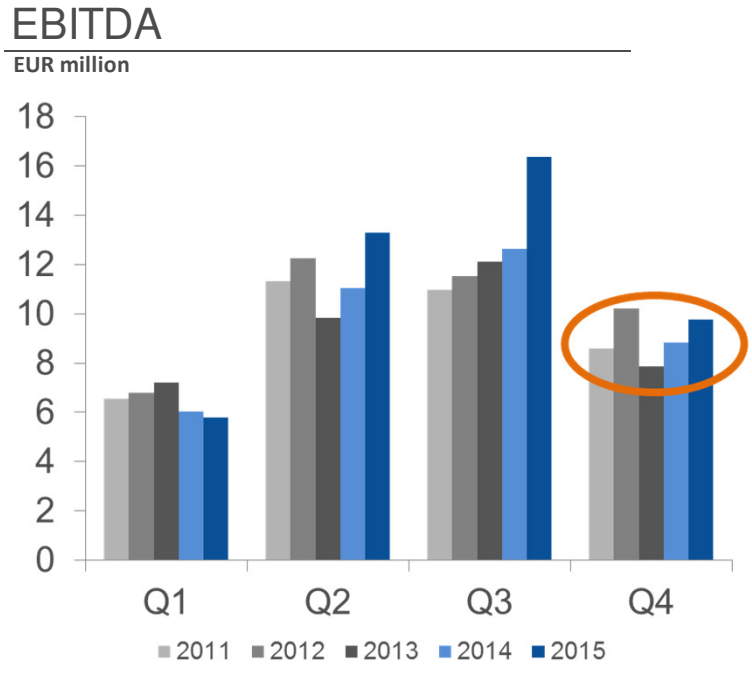
OPERATING REVENUE AND EBITDA 2011 TO 2015 BY QUARTER

Adjusted for one-off items in 2011 and 2012





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BALANCE SHEET

Remains solid with low leverage

- Non-current assets grew by EUR 19.0 million
  - Mainly due to investments in the new cold storage in Hafnarfjördur and in two new harbor cranes
- Dividend in the amount of EUR 6.3 million (ISK 933.2 million) was paid to shareholders in April
- Equity ratio was 64.2% at year-end 2015 compared to 65.2% at the end of 2014
- Total interest-bearing debt amounted to EUR 71.4 million at the end of 2015 compared to EUR 64.4 million at year-end 2014
- Net debt amounted to EUR 35.4 million at year-end compared to EUR 24.9 million at year-end 2014
  - Cash and cash equivalents amounted to 36.0 million and decreased by EUR 3.6 million from the previous year

EUR thousands	31.12.2015	31.12.2014	Change	%
Non-current assets	233,280	214,278	19,002	8.9%
Current assets	121,877	117,762	4,115	3.5%
Total assets	**355,157**	**332,040**	**23,117**	**7.0%**
Total equity	**228,124**	**216,472**	**11,652**	**5.4%**
Non-current liabilities	55,550	49,904	5,646	11.3%
Current liabilities	71,483	65,664	5,819	8.9%
Total liabilities	**127,033**	**115,568**	**11,465**	**9.9%**
Total equity and liabilities	**355,157**	**332,040**	**23,117**	**7.0%**

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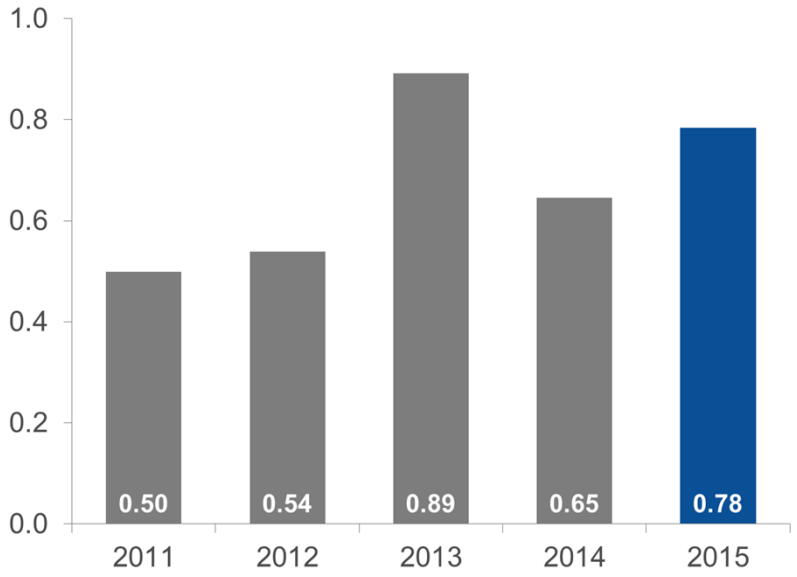
FINANCIAL RATIOS

Adjusted for one-off items in 2011 and 2012

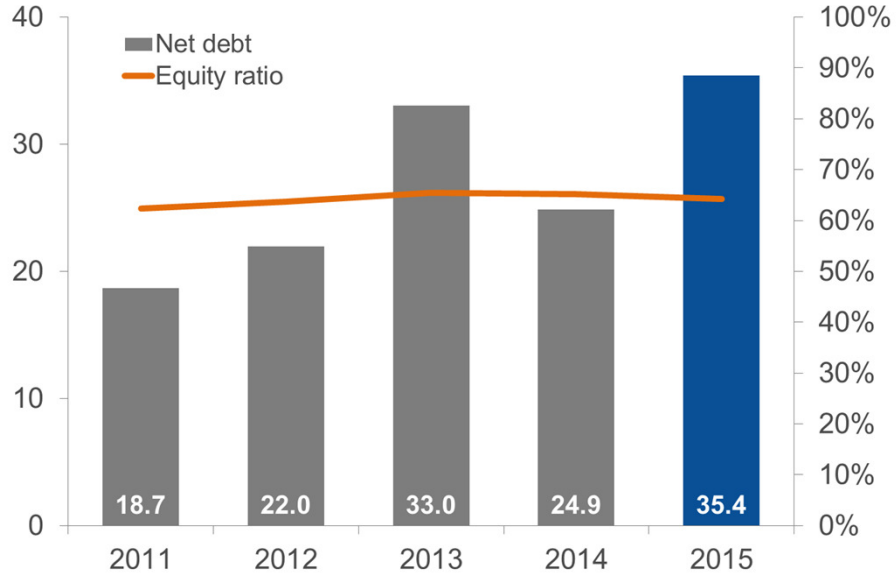
Net debt / EBITDA (adjusted)

EUR million



Net debt and equity ratio

EUR million



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STRONG CASH FLOW AND CASH POSITION

Increased investments in infrastructure and M&A projects

EUR thousands	Q4 2015	Q4 2014	Change	%	2015	2014	Change	%
Cash flows from operations	15,574	12,713	2,861	22.5%	37,357	31,603	5,754	18.2%
Investing activities	4,032	(4,382)	8,414	-	(35,206)	(18,311)	(16,895)	(92.3%)
Financing activities	(11,611)	(2,108)	(9,503)	-	(5,173)	(572)	(4,601)	-
Changes in cash and cash equivalents	**7,995**	**6,223**	**1,772**	**28.5%**	**(3,022)**	**12,720**	**(15,742)**	**-**
Cash at the beginning of the period	29,250	34,173	(4,923)	(14.4%)	39,539	26,370	13,169	49.9%
Exchange rate fluctuations	(1,262)	(857)	(405)	47.3%	(534)	449	(983)	-
Cash at the end of period	**35,983**	**39,539**	**(3,556)**	**(9.0%)**	**35,983**	**39,539**	**(3,556)**	**(9.0%)**

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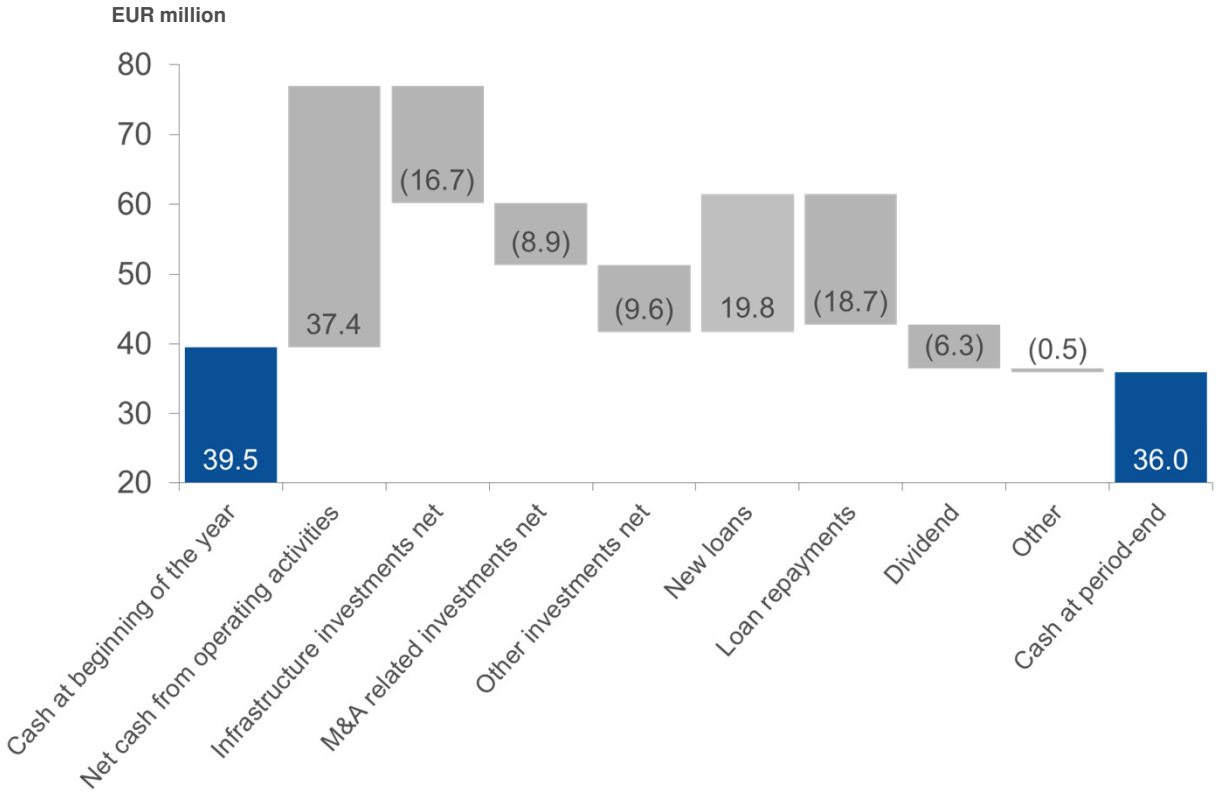
CASH FLOW BRIDGE 2015

Cash decreased by EUR 3.6 million from year-end 2014



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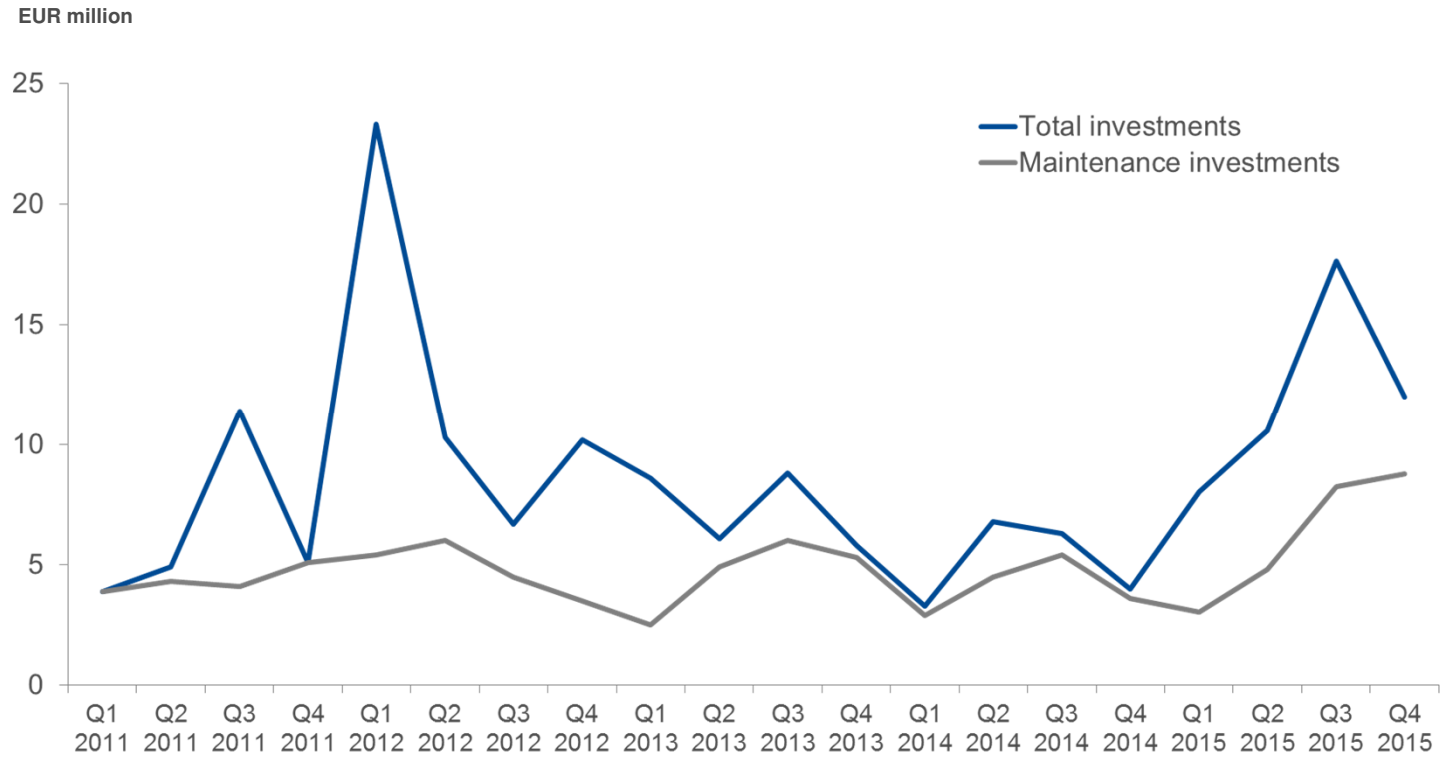
CAPEX 2011 TO 2015

Total CAPEX EUR 48.3 million in 2015, thereof maintenance CAPEX EUR 24.8 million



- Increased CAPEX in Q3
  - Cold storage in Hafnarfjördur, Iceland
  - Two harbor cranes
  - Vessel dockings
- Not included in the chart
  - Refund of EUR 14.1 million received in Q4 due to the cancellation of the vessel building project in China

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DIVIDEND PROPOSAL 2016

In the amount of ISK 1,213.2 million

Eimskip's DIVIDEND POLICY is to pay annual dividend that equals an amount in the range of 10-50% of net profit after taxes. Decisions on dividend payment, and the exact amount, are subject to the company's future investment plans, market outlook and satisfactory capital structure at any given time.

- ✓ ISK 6.50 per share ⇨ up 30% from ISK 5.00 last year
- ✓ ISK 1,213.2 million in total ⇨ up from ISK 933.2 million last year
- ✓ Equivalent of EUR 8.5 million ⇨ up from EUR 6.3 million last year
- ✓ Represents 47.9% of net earnings

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ONGOING PROJECTS AND FUTURE DEVELOPMENT

THE COLD STORAGE IN HAFNARFJÖRDUR

Well received by customers

- Eimskip's new cold storage in Hafnarfjördur was in full operation in December
- The cold storage has been well received by Eimskip's customers
- The cold storage offers services for the following commodities
  - Pelagic fish
    - *Mackerel, herring, capelin, etc.*
  - Demersal fish
    - *Cod, haddock, etc.*
  - Shrimp and squid
  - Retail and wholesale products
    - *Frozen vegetable, fruits, bread, etc.*
  - Other frozen products
- Trawler discharge and other services linked with cold storage

NEW CONTAINER VESSEL AND A HARBOR CRANE

A sister vessel of Lagarfoss

- Eimskip has chartered the 880 TEU gearless container vessel Ceres as from March 2016
- Ceres is a sister vessel of Lagarfoss that Eimskip built and took into operation in 2014
- The name of Ceres will be changed to Bakkafoss
- The vessel will be serving on the Yellow Line
- Bakkafoss (880 TEU) will replace Brúarfoss (724 TEU) that will be transferred to serve on other lines or in other projects
- Capacity increase by 156 TEU or 22%
- A new mobile harbor crane will be taken into operation in Sundahöfn in March
- The current mobile crane of Sundahöfn will be moved to the Westman Islands
- This change allows Eimskip to operate gearless vessels on the Blue Line and the Yellow Line

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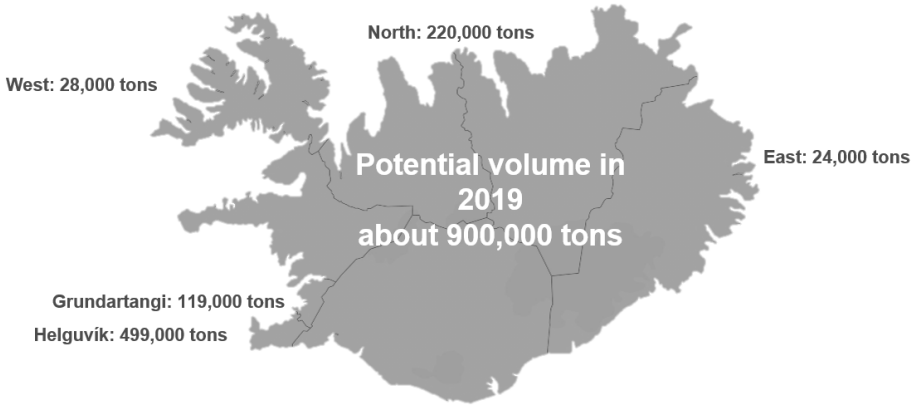
HELGUVÍK, ICELAND

Regular services start in the second quarter

- Vessels on the Yellow Line will start regular calls at Helguvík to serve the operations of United Silicon's plant and other customers in the area



GROWTH IN LINE WITH STRATEGY

Through accretive 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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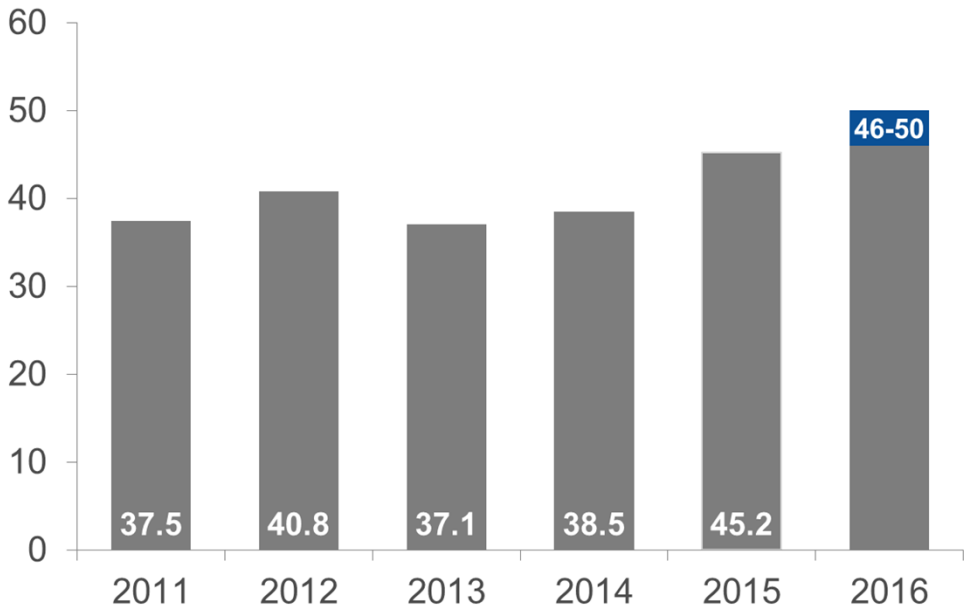
EBITDA FORECAST FOR 2016

EBITDA in the range of EUR 46 to 50 million



- The EBITDA forecast for 2016 is in the range of EUR 46 to 50 million
- The outlook for the year 2016 is positive in general
  - Expected continued volume growth in the Iceland-related market
  - The outlook for Norway is positive after some difficulties in the first quarter of 2015
  - Volumes in the Faroe Islands are expected to decrease due to changed transport routing of the pelagic fish
  - The freight forwarding market is expected to grow in line with general market growth
- Uncertainty
  - Still uncertainty regarding wage agreements with a part of the Icelandic crew members on the company's vessels
  - General uncertainty regarding global economic conditions, volumes, rates, fuel costs, currency rates and competition

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Q & A

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