

24 May 2013

First quarter 2013 financial results





Agenda

1. Highlights

2. First quarter 2013 financial results

3. Outlook

4. Q&A



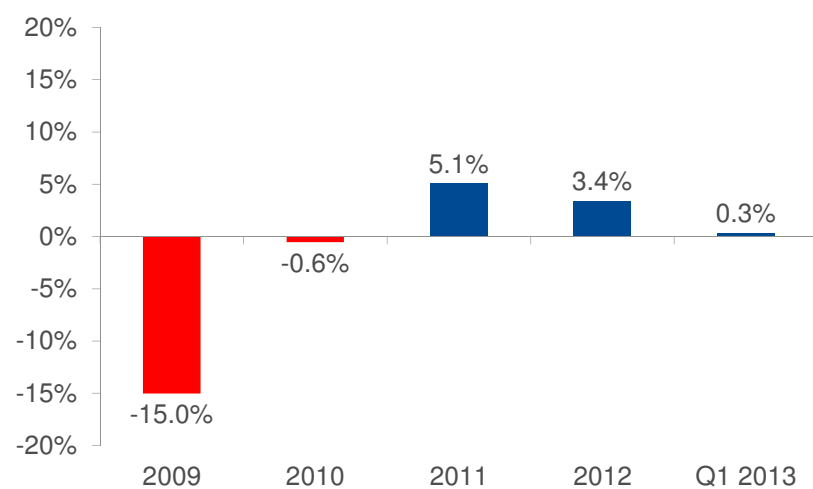
Key highlights Q1 2013

EUR million	Q1 2013	Q1 2012	Change
Operating revenue	105.3	93.7	12.4%
EBITDA	7.2	6.8	6.5%
EBIT	2.1	1.3	58.5%
CAPEX	8.6	22.7	(62.1%)
Net cash (to) from operating activities	(2.4)	3.7	(162.9%)
Total assets	307.2	284.7	7.9%
Equity ratio	65.8%	62.1%	5.9%

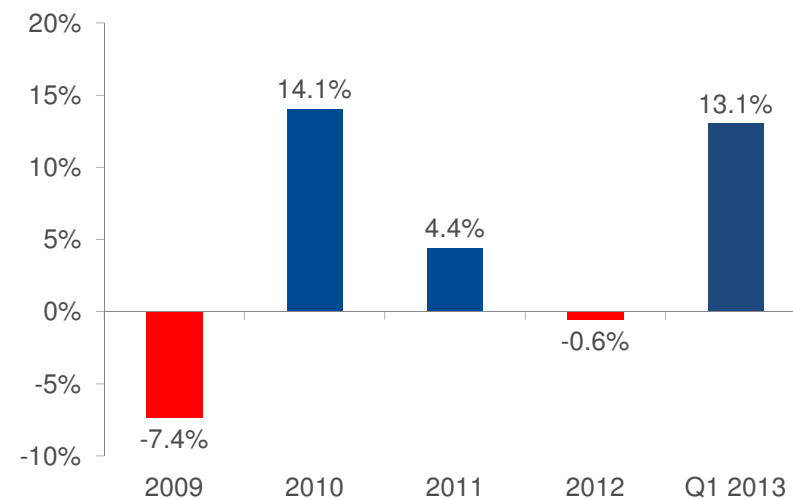
Transported volume

Liner services and reefer forwarding

Liner services



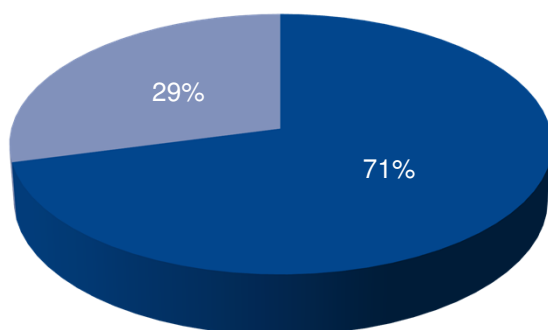
Reefer forwarding



Operating revenue by segments

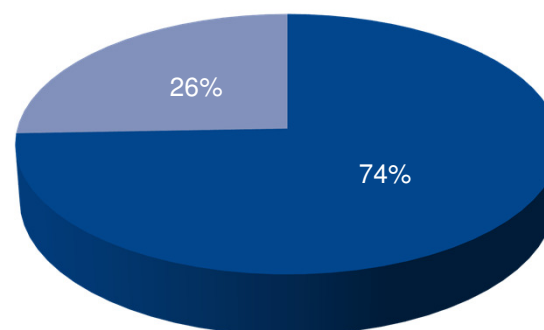
Liner services and forwarding services

Q1 2013



■ Liner services ■ Forwarding services

Q1 2012

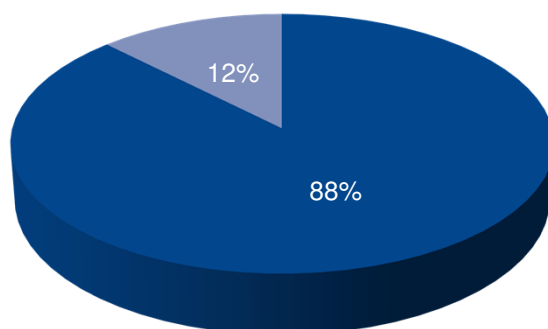


■ Liner services ■ Forwarding services

Operating profit, EBITDA, by segments

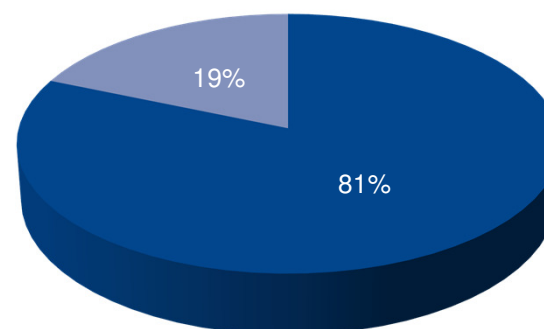
Liner services and forwarding services

Q1 2013



■ Liner services ■ Forwarding services

Q1 2012

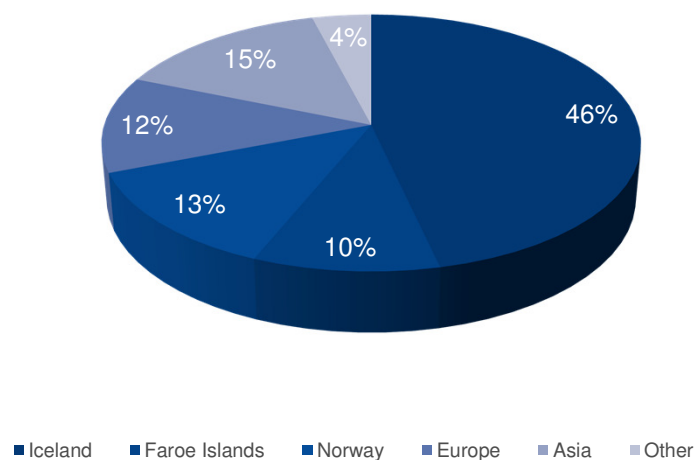


■ Liner services ■ Forwarding services

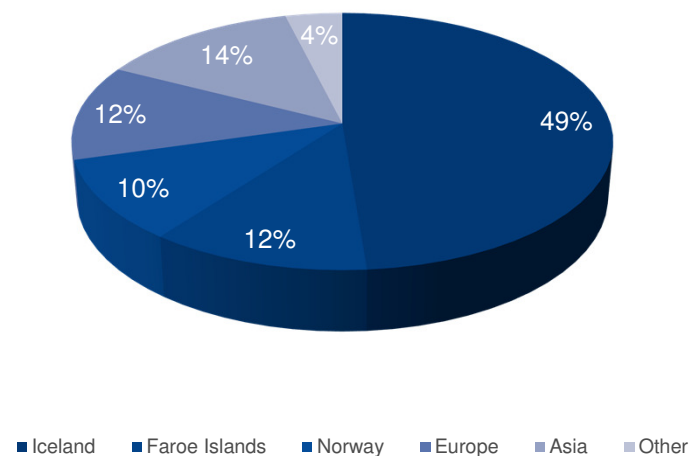
Geographical split of operating revenue

Less than half of the operating revenue is related to Iceland

Q1 2013

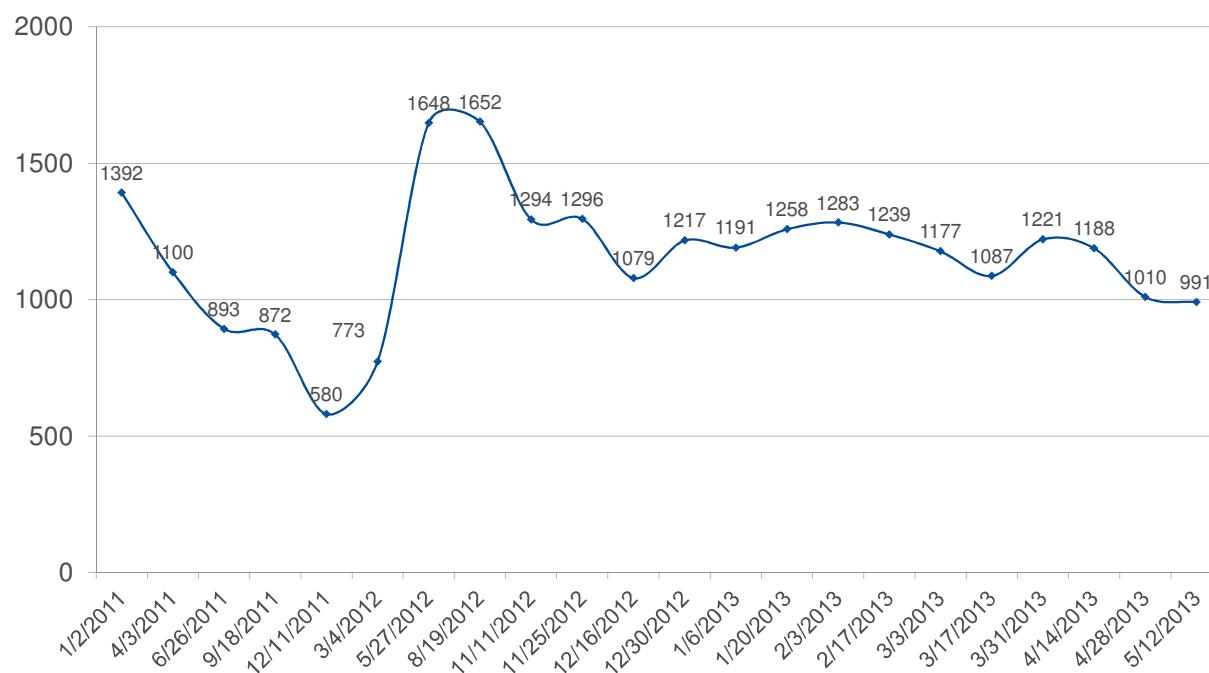


12M 2012



Freight index China - Europe

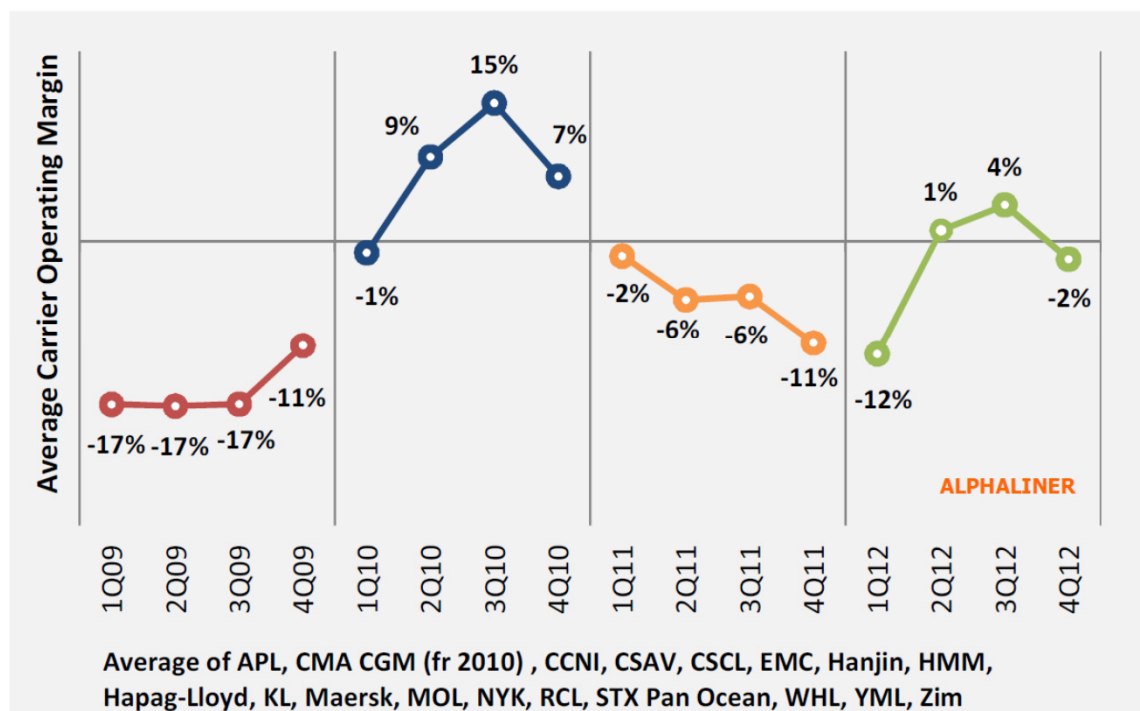
Fluctuations in pricing from the deep sea carriers



Source: www.shippingchina.com

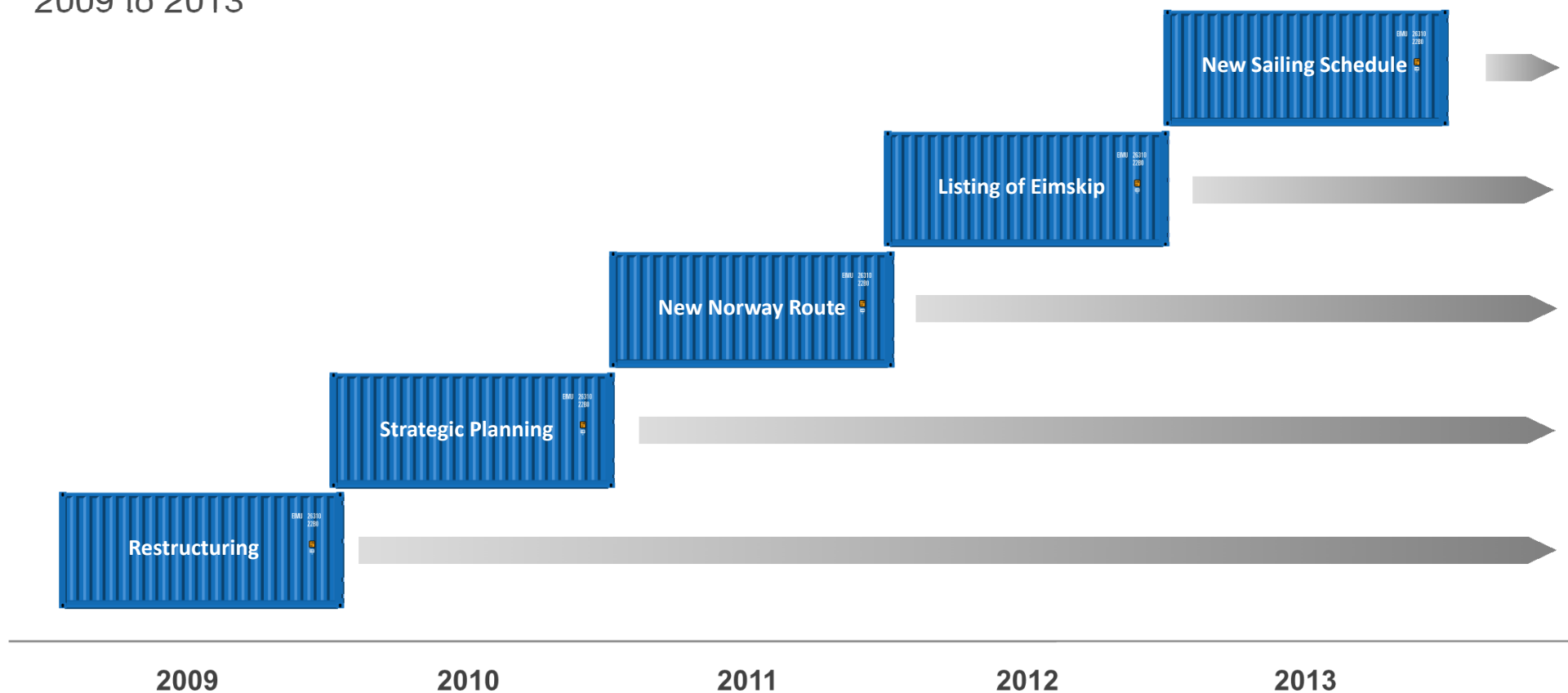
International carriers

Average Carrier Operating Margins by Quarter : 2009-2012



Source: Alphaliner

Development after restructuring 2009 to 2013



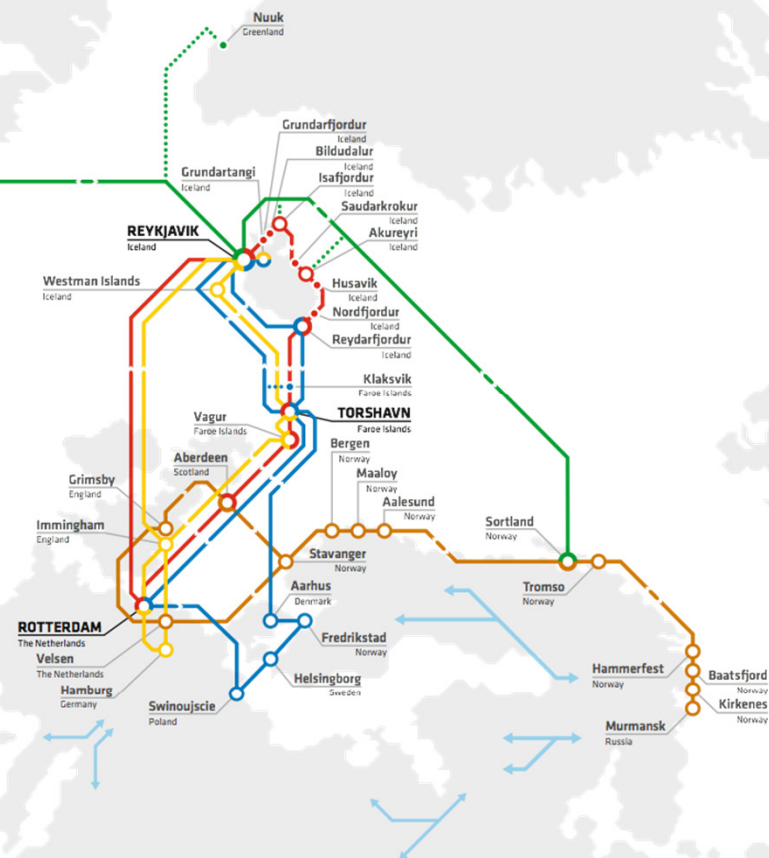
Significant changes in Eimskip's sailing schedule

Introduced 6 March 2013

- The main changes are
 - Increased capacity in the liner system by 7.7%
 - 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 port call in Portland, Maine in USA, increasing frequency and shortening transit time to and from 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 a port call in Poland
 - The vessel Ice Bird moved from the spot service to liner services in Norway to increase capacity

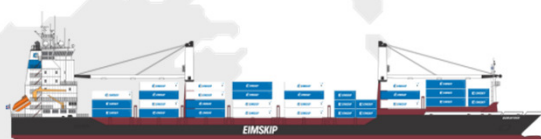


- **BLUE LINE**
Iceland, Faroe Islands, The Netherlands, Poland, Sweden, Norway, Denmark, Faroe Islands, Iceland
- **YELLOW LINE**
Iceland, Faroe Islands, England, The Netherlands, Germany, England, Iceland
- **RED LINE**
Iceland, Faroe Islands, Scotland, The Netherlands, Iceland
- **GREEN LINE**
Norway, 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**



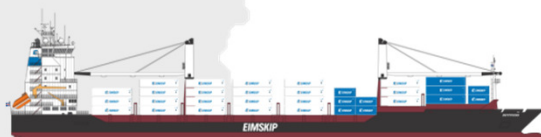
BLUE LINE

Iceland, Faroe Islands, The Netherlands, Poland, Sweden, Norway, Denmark, Faroe Islands, Iceland



Godafoss

Built 1995
TEUS 1,457
GT 14,664



Dettifoss

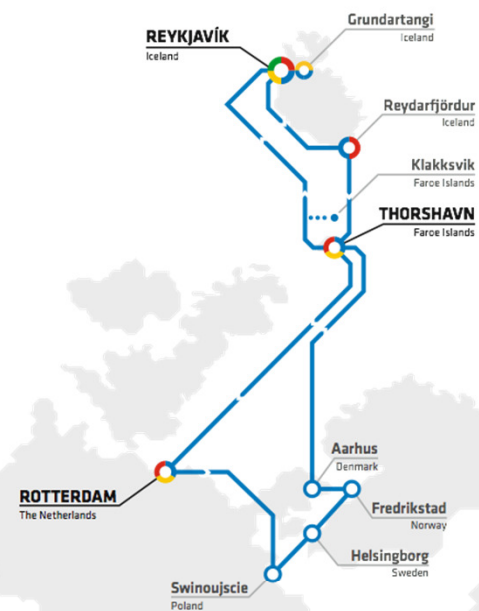
Built 1995
TEUS 1,457
GT 14,664

Owned

OPTIONAL PORT / SEASONAL ROUTES

MAJOR TRANSIT HUB
TRANSIT HUB

PORT



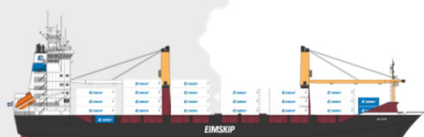
YELLOW LINE

Iceland, Faroe Islands, England, The Netherlands, Germany, England, Iceland




Brúarfoss

Built 1992
TEUS 724
GT 7,676



Selfoss

Built 1991
TEUS 724
GT 7,676

 Owned

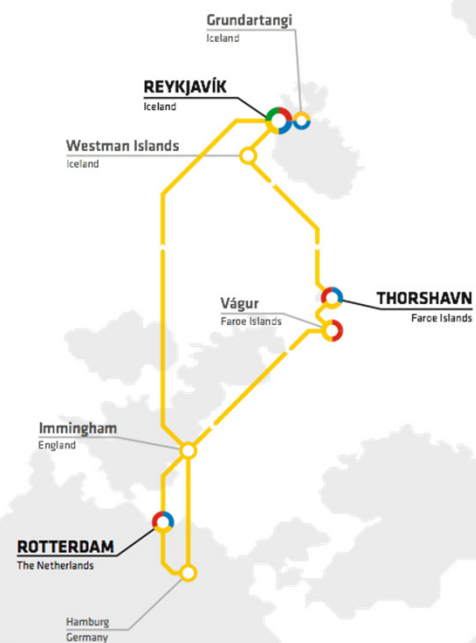


MAJOR TRANSIT HUB



TRANSIT HUB

 PORT

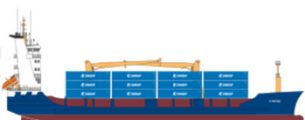


RED LINE

Iceland, Faroe Islands, Scotland, The Netherlands, Iceland



Horst B C
Built 1994
TEUS 703
GT 6,297



S. Rafael C
Built 2000
TEUS 501
GT 4,454

C Chartered



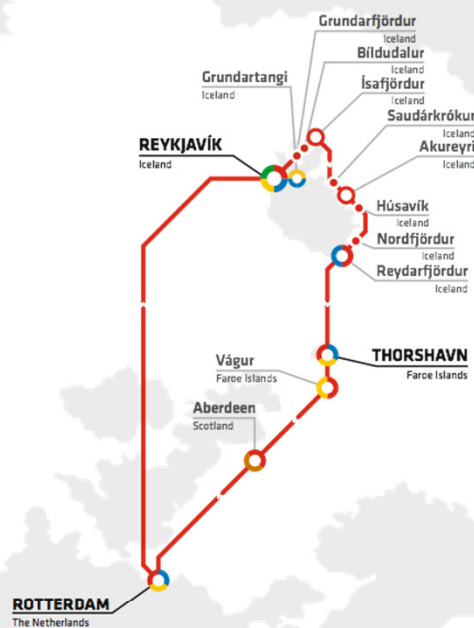
MAJOR TRANSIT HUB



PORT



TRANSIT HUB

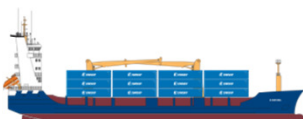


RED LINE

Iceland, Faroe Islands, Scotland, The Netherlands, Iceland

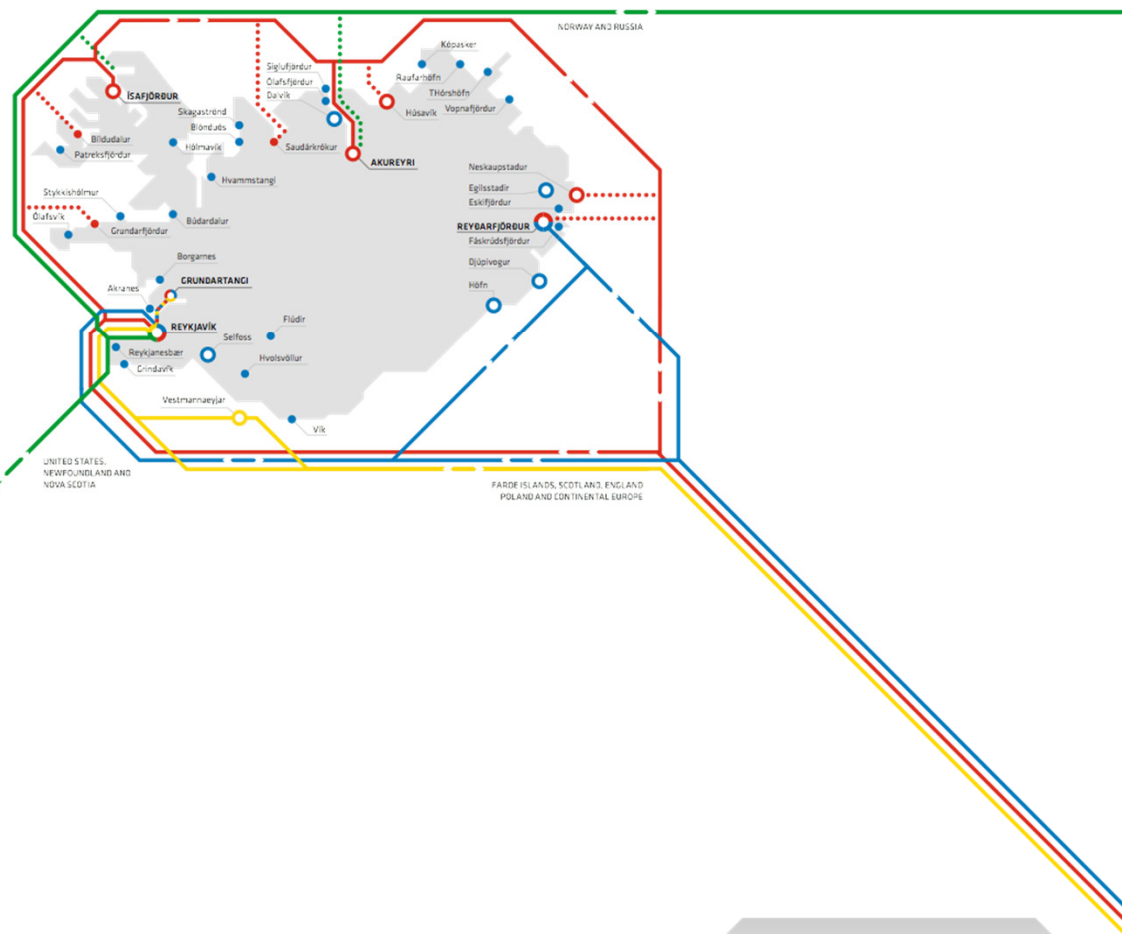


Horst B C
Built 1994
TEUS 703
GT 6,297



S. Rafael C
Built 2000
TEUS 501
GT 4,454

C Chartered



GREEN LINE

Norway, Iceland, Newfoundland, Nova Scotia, United States, Newfoundland, Iceland



Skógafoss C

Built 2007
TEUS 698
GT 7,545

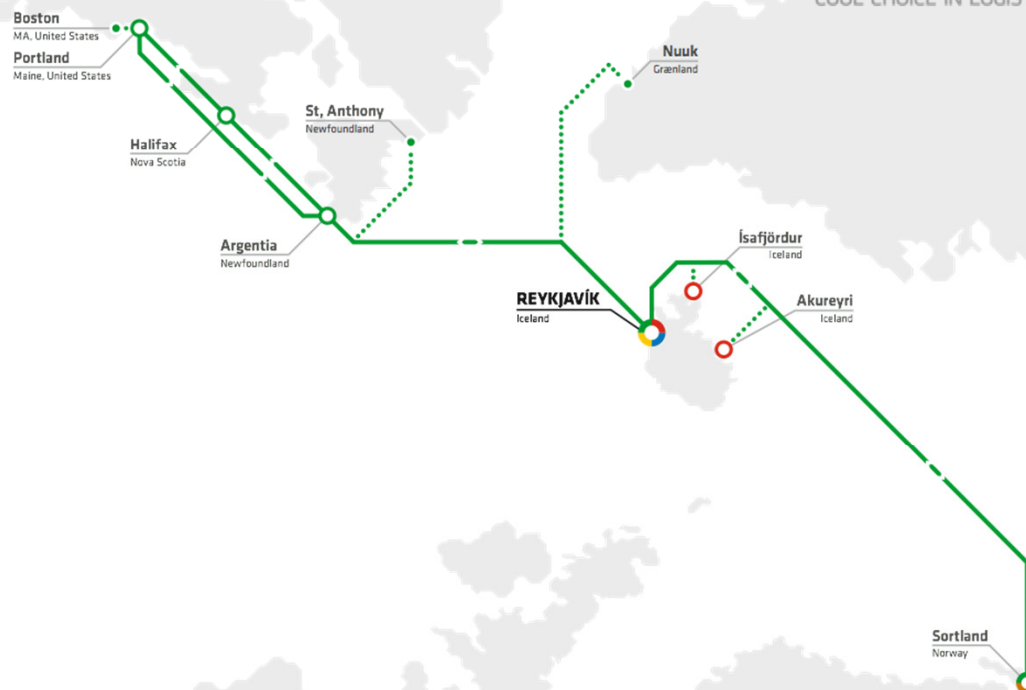


Reykjafoss C

Built 1999
TEUS 712
GT 7,589

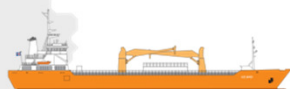
C Chartered

OPTIONAL PORT / SEASONAL ROUTES



BROWN LINE

Russia, Norway, The Netherlands, England, Scotland, Norway



Ice Bird

Built 1990
Reefer (bulk)
GT 3,625



Hólmfoss

Built 2007
Reefer (bulk/TEUS 24)
GT 3,538



Pólfoss

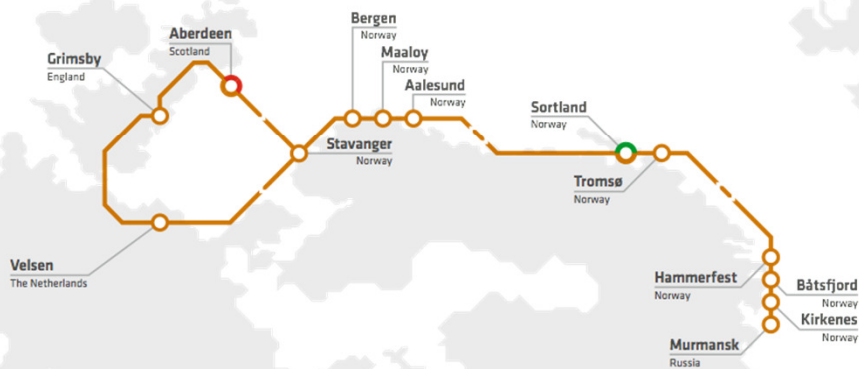
Built 2008
Reefer (bulk/TEUS 24)
GT 3,578



Svartfoss

Built 2005
Reefer (bulk/TEUS 48)
GT 2,990

 Owned

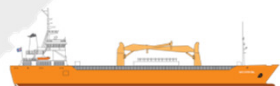


Other operations In the North Atlantic



Ice Star o

Built 1990
Reefer (bulk)
GT 3.625



Ice Crystal o

Built 1991
Reefer (bulk)
GT 3.625



Laxfoss o

Built 1995
Bulk Cargo
GT 1.682



Herjólfur c

Built 1992
Ferry
GT 3.354

o Owned c Chartered





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Income statement

Improvements from previous year

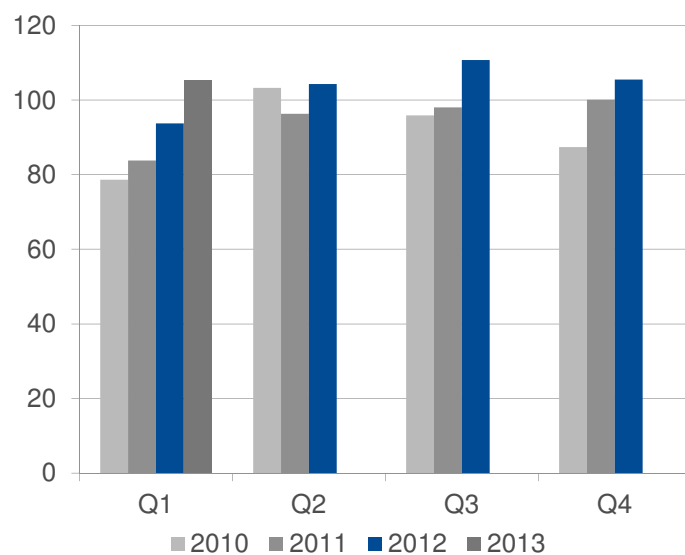
EUR thousand	Q1 2013	Q1 2012	Change	%
Operating revenue	105,313	93,726	11,587	12.4%
Operating expenses	98,096	86,950	11,146	12.8%
EBITDA	7,217	6,776	441	6.5%
Depreciation and amortization	(5,134)	(5,462)	328	6.0%
EBIT	2,083	1,314	769	58.5%
Net finance income (expense)	949	(1,017)	1,966	193.3%
Net earnings before income tax	3,032	297	2,735	920.9%
Income tax	(500)	285	(785)	(275.4%)
Net earnings for the period	2,532	582	1,950	335.1%

- Revenue increased by 12.4% from Q1 2012 mainly explained by volume increase in forwarding and freight increases on international shipping markets
- EBITDA increased by 6.5% and EBIT by 58.5% between years
- Reduction of depreciation since part of the company's vessels are fully depreciated to their residual value
- Net finance income in Q1 this year due to currency gain compared to currency loss in Q1 2012

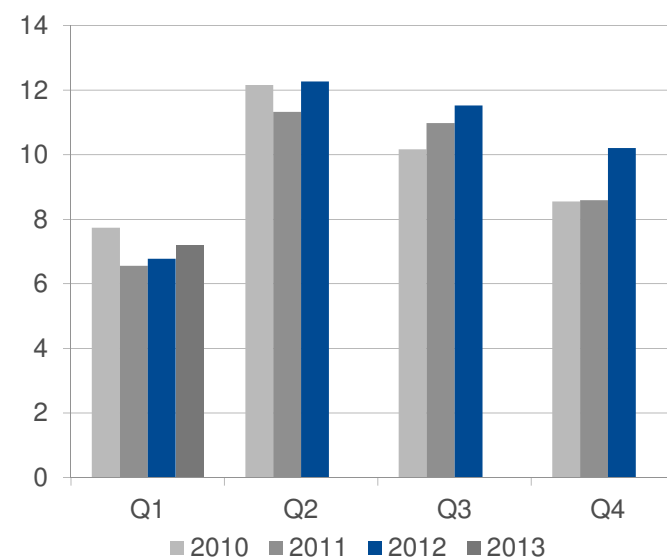
Operating revenue and EBITDA by quarters

Adjusted for one-off items in 2011 and 2012

Operating revenue by quarters



EBITDA by quarters



Balance sheet

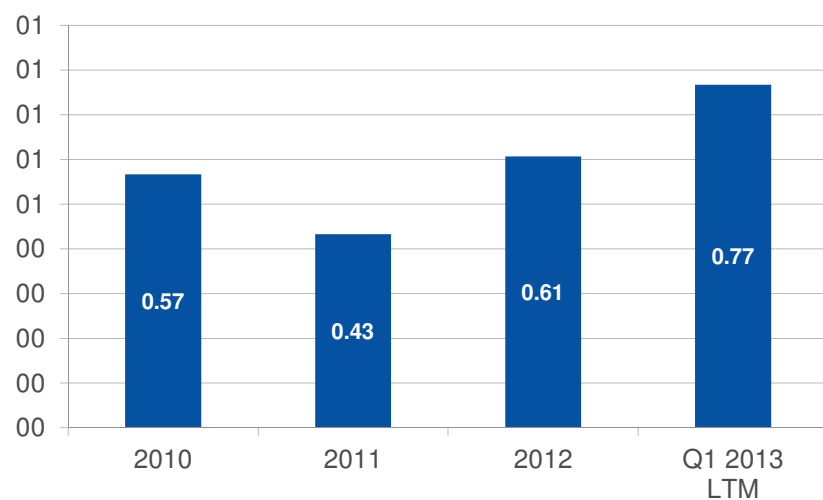
Solid with low leverage

EUR thousand	31.3.2013	31.12.2012	Change	%
Non-current assets	213,135	209,723	3,412	1.6%
Current assets	94,058	103,558	(9,500)	(9.2%)
Total assets	307,193	313,281	(6,088)	(1.9%)
Total equity	202,219	199,599	2,620	1.3%
Non-current liabilities	48,017	51,088	(3,071)	(6.0%)
Current liabilities	56,957	62,594	(5,637)	(9.0%)
Total liabilities	104,974	113,682	(8,708)	(7.7%)
Total equity and liabilities	307,193	313,281	(6,088)	(1.9%)

- Increase in non-current assets due to investments in vessels and other operating assets
- Reduction in cash and cash equivalents due to investments, mainly in vessels
- Equity ratio was 65.8% at the end of March
- Eimskip owns about 3% of treasury shares or 5.9 million out of 200 million issued shares
- Reduction of current liabilities in the quarter due to unpaid investment in containers in the amount of EUR 4 million at year-end 2012

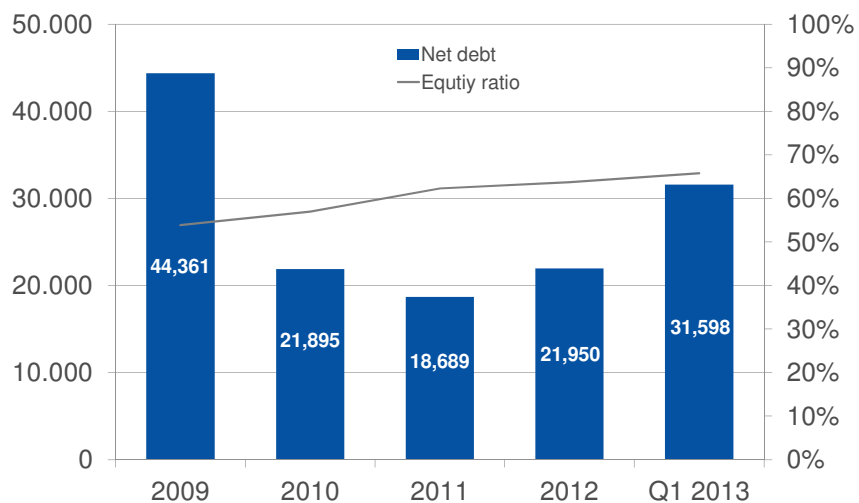
Financial ratios

Net debt / EBITDA



Net debt and equity ratio

EUR thousand

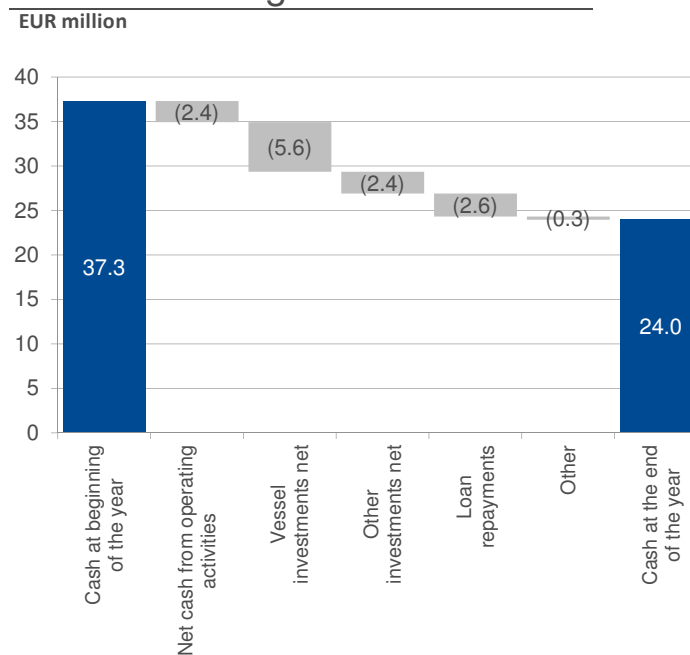


Strong cash flow and cash position

Decreased cash mainly due to investments

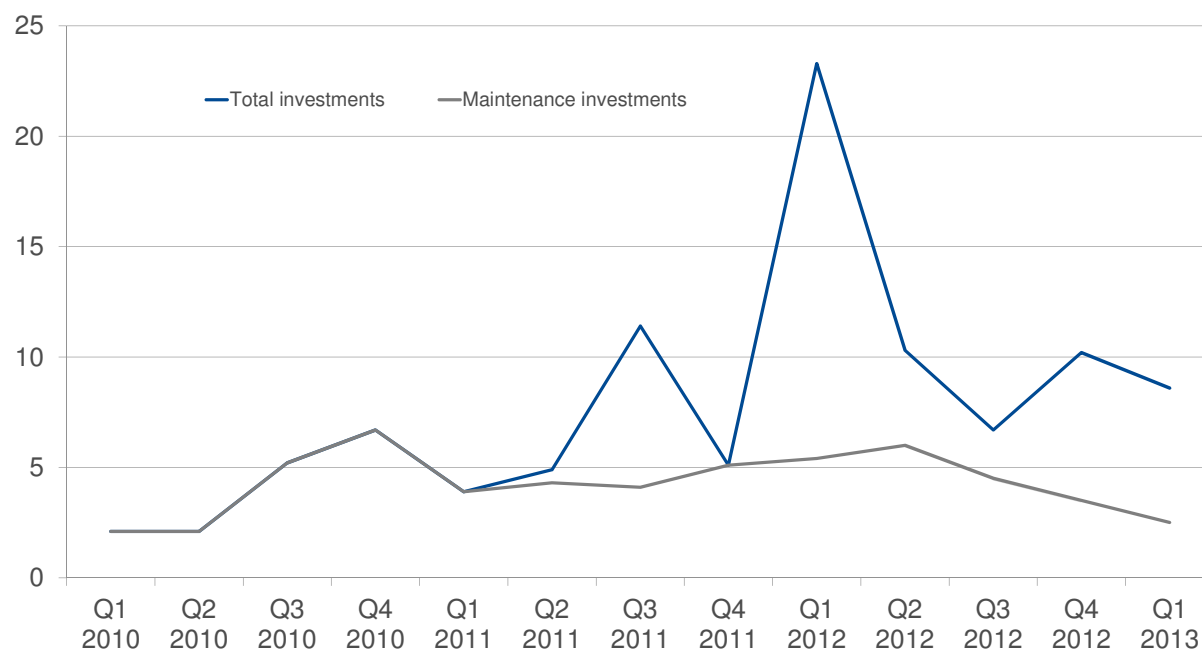
EUR thousand	Q1 2013	Q1 2012	Change	%
Cash flows (to) from operations	(2,357)	3,745	(6,102)	(162.9%)
Investing activities	(8,045)	(21,981)	13,936	63.4%
Financing activities	(2,478)	(464)	(2,014)	(434.1%)
Decrease in cash	(12,880)	(18,700)	5,820	31.1%
Cash at the beginning of the period	37,304	43,517	(6,213)	(14.3%)
Exchange rate fluctuations	(447)	180	(627)	(348.3%)
Cash at the end of period	23,977	24,997	(1,020)	(4.1%)

Cash flow bridge 2013



CAPEX 2010 to 2013

CAPEX affected by vessel investments





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New vessel building project in China

Delay of delivery and reduction of purchase price

- 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
- Expected delivery time was in 2013
- An amendment agreement with the shipyard expects delivery in the first half of 2014
- Besides negotiating the delay, Eimskip has negotiated a reduction of the vessels' purchase price
- The total reduction is approximately 20% or USD 10 million in total
- Eimskip has already paid USD 26 million which equals about 70% of the altered purchase price of the vessels



New companies and projects

E.T.S. B.V.

- Eimskip has acquired a 52.5% share in the Dutch trucking company E.T.S. B.V., European Transport Services, which is located in Rotterdam
- The company was established to provide trucking services for Eimskip within the Benelux and neighboring countries
- E.T.S. specializes in reefer container haulage and offers various other forms of road transport, such as heavy transport solutions and other tailor made solutions
- The fleet consists of 15 trucks of which the majority is equipped with a T.R.S. system, an environmentally friendly system where the engine of the truck provides power to the reefer container and produces less emissions than conventional generators do



New companies and projects

Gára ehf.

- In April 2013, TVG-Zimsen, an Iceland based subsidiary of Eimskip, acquired the ship agency Gára ehf.
- Gára is a 20 year old company, located in Hafnarfjörður in Iceland
- Gára will be operated as a separate unit under TVG-Zimsen and the former owners will continue working for the company
- The company will be offering services to cruise vessels and other types of vessels, such as trawlers, research vessels and naval vessels
- TVG-Zimsen and Gára will also be watching closely development of the future opportunities in the North Atlantic



New companies and projects

Development in Dysnes in Akureyri

- Eimskip has joined several other parties in founding a development company, Dysnes Próunarfélag ehf.
- Dysnes is founded to develop and promote new port facility to serve oil, mining and other industries in the North Atlantic as well as the Arctic Sea route
- Approximately 90 acres will be developed for port facilities
- Dysnes is located in Eyjafjörður, about 15 km north of Akureyri in the north of Iceland
- Eimskip's strategy is to follow the development of the various future opportunities in the North Atlantic



Future opportunities

Growth opportunities in the home market

- Continuing optimization and development of the liner services
- Marketing and sale of the new sailing schedule
- Opportunities related to new projects in Newfoundland, Portland in USA, Scotland, Russia, the Faroe Islands and Poland
- Increased focus on projects in connection with the coastal services in Iceland
- Growth opportunities in the home market in the North Atlantic, including projects in relation to oil, aluminum and other industries
- Opening of new offices outside Iceland
- The Arctic sailing route



Q&A

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