

THIRD QUARTER RESULTS IN LINE WITH EXPECTATIONS

- Operating revenue in third quarter was EUR 110.7 million
- Operating profit (EBITDA) was EUR 10.8 million
- Net earnings for the period amounted to EUR 5.7 million
- Equity ratio was 62.8% at the end of third quarter

Consolidated figures in EUR '000

Income Statement	Q3 2012	Q3 2011	Change	9M 2012	9M 2011	Change
Operating revenue	110,744	98,053	12.9%	308,822	284,590	8.5%
Operating expenses	99,905	87,074	14.7%	278,941	250,028	11.6%
Operating profit (EBITDA)	10,839	10,979	(1.3%)	29,881	34,562	(13.5%)
Depreciation and amortization	(5,026)	(6,143)	(18.2%)	(16,318)	(17,996)	(9.3%)
Results from operating activities (EBIT)	5,813	4,836	20.2%	13,563	16,566	(18.1%)
Net finance expense	104	890	(88.3%)	(1,934)	(2,552)	(24.2%)
Net earnings before income tax	5,917	5,726	3.3%	11,629	14,014	(17.0%)
Income tax	(169)	(655)	(74.2%)	2,095	(1,484)	(241.2%)
Net earnings for the period	5,748	5,071	13.4%	13,724	12,530	9.5%
Sales growth	12.9%	2.3%		8.5%	2.4%	
EBITDA / Sales	9.8%	11.2%		9.7%	12.1%	
EBIT / Sales	5.2%	4.9%		4.4%	5.8%	
Net debt / LTM EBITDA	0.9	0.7		0.9	0.7	
Statement of Financial Position	30.09.2012	31.12.2012	Change	30.09.2012	31.12.2012	Change
Assets	303,077	283,224	7.0%	303,077	283,224	7.0%
Non-current assets	204,436	176,946	15.5%	204,436	176,946	15.5%
Equity	190,415	176,509	7.9%	190,415	176,509	7.9%
Liabilities	112,662	106,715	5.6%	112,662	106,715	5.6%
Net debt	33,245	18,689	77.9%	33,245	18,689	77.9%
Tangible assets / Total assets	93.7%	93.5%		93.7%	93.5%	
Equity ratio	62.8%	62.3%		62.8%	62.3%	
Cash Flow Statement	Q3 2012	Q3 2011	Change	9M 2012	9M 2011	Change
Net cash from operating activities	7,333	5,271	39.1%	24,123	13,969	72.7%
Net cash used in investing activities	(6,308)	(10,888)	(42.1%)	(38,784)	(18,894)	105.3%
Net cash from (used in) financing activities	514	(2,471)	(120.8%)	(450)	(8,077)	(94.4%)
Increase (decrease) in cash and cash equivalents	1,539	(8,088)	(119.0%)	(15,111)	(13,002)	16.2%
Effects of exchange rate fluctuations on cash held	76	150	(49.3%)	410	(299)	(237.1%)
Cash and cash equivalents at the end of period	28,816	37,032	(22.2%)	28,816	37,032	(22.2%)

GYLFI SIGFÚSSON, CEO

„Eimskip’s operating results in third quarter 2012 are in line with to the company’s expectations and has been increasing from previous year when taking into consideration expenses amounting to EUR 0.7 million related to preparation of the company’s listing at NASDAQ OMX Iceland. Eimskip’s shares started trading at the Main Market of NASDAQ OMX Iceland 16 November 2012.

Transported volume in the company’s liner services in the North-Atlantic increased by 6.3% the first nine months of the year compared to the same period 2011, which is a positive development. In 2011 it was decided to add another vessel to the America route connecting North-America and North-Norway. The new vessel has gradually been building volume and revenue. Transported volume in the company’s reefer forwarding services in third quarter decreased by 12.7% from previous year, which reflects from development of markets in Asia, despite volume decrease net profits have not reduced by same measure. The main reason for decreased volume is not related to transport of frozen seafood but rather to transport of other products from Asia to Europe.

The outlook for transport in the North-Atlantic is good, significant growth has been in transport from Norway and Faroe Islands and in transport between Europe and North America. Transport to and from Iceland has been growing but there is some uncertainty regarding export of seafood due to stock accumulating and price reduction in certain markets. There remains uncertainty regarding investments in power intensive industry in Iceland that can affect transport volumes in coming years. Eimskip continues to emphasize on providing its customers excellent services by, among other, strengthening its vessel, container and equipment fleet with new investments in the amount of EUR 38.8 million year to date. It is expected that the two new container vessels that are currently being built in China will be delivered in the year 2013 and will strengthen the company’s sailing system and services.”

THIRD QUARTER OPERATIONS

- **Operating revenue was EUR 110.7 million and increased by 12.9% from previous year**
- **Operating profit before depreciation (EBITDA) was EUR 10.8 million**
- **Transported volume of the company’s liner services increased by 4.3% from 2011**
- **Transported volume of international reefer forwarding services decreased by 12.7%**

Operating revenue in the third quarter was EUR 110.7 million compared to EUR 98.1 million in the third quarter 2011, which corresponds to 12.9% increase between years. There was an increase in transport volume in all main market areas and an increase of 4.3% in the liner service in the North Atlantic between years. Transport volume in reefer forwarding services has however reduced by 12.7% from previous year, mainly due to reduced transport of vegetables from Asian markets to Europe. Despite reduction in volume, revenues have increased due to increased prices in sea freight on international markets.

Operating profit before depreciation (EBITDA) was EUR 10.8 million compared to EUR 11.0 million in 2011. In that context it is worth pointing out that expenses related to the preparation of the company’s listing at NASDAQ OMX Iceland in third quarter amounted to EUR 0.7 million. Considering these expenses the operating profit of third quarter increased by EUR 0.5 million, or to EUR 11.5 million, which is 4.5% increase between years.

Results from operating activities (EBIT) were EUR 5.8 million in third quarter compared to EUR 4.8 million in 2011. Net finance expenses in third quarter were positive in the amount of EUR 0.1 million compared to positive amount of EUR 0.9 million in 2011. The company had EUR 0.9 million currency gains in third quarter 2012 compared to EUR 1.6 million currency gains in third quarter 2011. Income tax was EUR 0.2 million in third quarter compared to EUR 0.9 million in 2011. Net earnings after taxes was EUR 5.7 million in third quarter compared to EUR 5.1 million in 2011, which corresponds to 13.4% increase.

NINE MONTH OPERATIONS

- **Operating revenue amounted to EUR 308.8 million, 8.5% increase from previous year**
- **Operating profit before depreciation (EBITDA) was EUR 29.9 million**
- **Transported volume in the liner services increased by 6.3% from previous year**
- **Transported volume in reefer forwarding services decreased by 5.4% from previous year**

Operating revenue for the first nine months amounted to EUR 308.8 million compared to EUR 284.6 in 2011, which corresponds to 8.5% increase between years. Part of the revenues in 2011 was a one-off item amounting to EUR 6.4 million which effect comparison between years, considering this one-off item the increase between years was 11.0%. There was an increase in transport volume in all main market areas and an increase of 6.3% in the liner service in the North Atlantic between years. Transport volume in reefer forwarding services has however reduced by 5.4% from previous year, mainly due to reduced transport of vegetables from Asia to Europe.

Operating profit before depreciation (EBITDA) was EUR 29.9 million compared to EUR 34.6 million in 2011, considering above mentioned on-off items the EBITDA in 2011 amounted to EUR 28.2 million. Expenses related to the preparation of the company's listing at NASDAQ OMX Iceland in 2012 amounted to EUR 0.7 million and expenses due to the grounding of Godafoss in 2011 also amounted to EUR 0.7 million. Considering these one-off items the operating profit increased by EUR 1.7 million, which is a 6% increase between years.

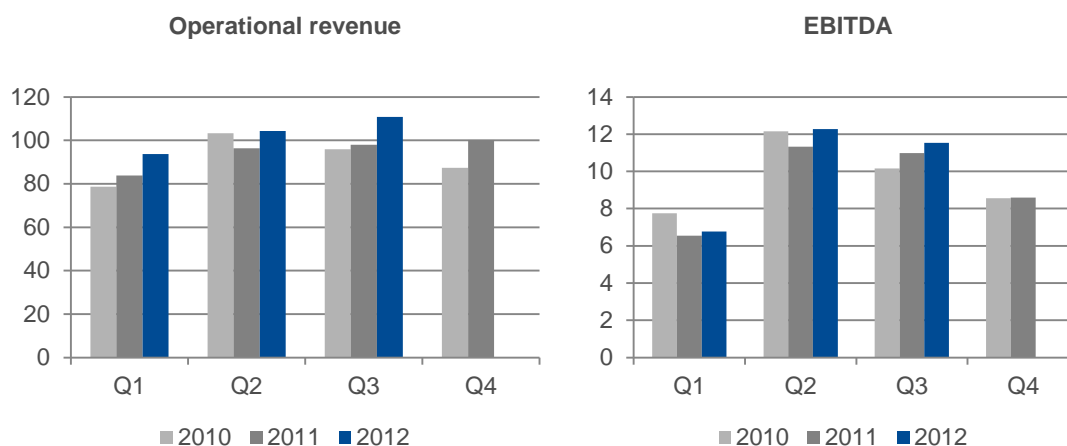
Results from operating activities (EBIT) were EUR 13.6 million compared to EUR 16.6 million in 2011. Considering above mentioned one-off items the EBIT increased by EUR 3.4 million, which is 5.9% between years. Net finance expenses were EUR 1.9 million compared to EUR 2.6 million in 2011. The company had EUR 0.5 million currency gains in 2012 compared to EUR 0.5 million currency loss in 2011.

Income tax was positive in the amount of EUR 2.1 which reflects in recognized transferable taxable loss in a foreign subsidiary in the amount of EUR 2.8 million. Effective tax rate for the period is 12.7%. Net earnings for the period amounted to EUR 13.7 million compared to EUR 12.5 million in 2011, which is 9.5% increase between years.

The operations of the company have been stable during previous years as can be seen in the graphs on next page. The graphs show how revenues and EBITDA are divided between quarters 2010-2012.

In these graphs operating revenue and EBITDA have been adjusted for one-off items. Operating revenue and EBITDA reduced by EUR 6.4 million in first quarter 2011, due to a claim that had previously been written off. EBITDA increased by EUR 0.7 million in second quarter 2011 due to the grounding of Godafoss and increased by EUR 0.7 million in third quarter 2012 due to expenses in relation with preparation of the company's listing at NASDAQ OMX Iceland.

EUR million



BALANCE SHEET AT END OF THIRD QUARTER

- Total assets amounted to EUR 303.1 million
- Interest bearing debt amounted to EUR 62.1 million
- Equity ratio was 62.8%

At the end of third quarter the company's assets amounted to EUR 303.1 million, compared to 283.2 million at the end of year 2011. Total non-current assets increased by EUR 27.5 million, thereof are investments in vessels in the amount of EUR 22.9 million. The company purchased three reefer vessels in February and is currently building two new container vessels in China that are expected to be delivered in 2013.

Total current assets amounted to EUR 98.6 million at the end of third quarter compared to EUR 106.3 million at the end of year 2011. Cash and cash equivalents amounted to EUR 28.8 million and have decreased by EUR 14.7 million year to date, which reflects in investments in vessels and other equipment. Equity at the end of third quarter amounted to EUR 190.4 million compared to EUR 176.5 million at the end of year 2011. Equity ratio was 62.8%.

Interest bearing debts amounted to EUR 62.1 million and net debt amounted to EUR 33.2 million.

CASH FLOW AND INVESTMENTS

- Net cash from operating activities was EUR 24.1 million during the first nine months
- Net investments amounted to EUR 38.8 million during the first nine months

Net cash from operating activities amounted to EUR 24.1 million compared to EUR 14.0 million in 2011. Net investments amounted to EUR 38.8 million, thereof are investments in vessels EUR 22.9 million, investments in real estate EUR 1.8 million and investments in containers and other equipment EUR 14.1 million. Net cash from financing activities were negative in the amount of EUR 0.5 million compared to negative amount of EUR 8.1 million in 2011. Therefore cash and cash equivalents decreased by EUR 15.1 million and amounted to EUR 28.8 million at the end of third quarter.

SUBSEQUENT EVENTS

A few events will affect Eimskip's financial position after closing of accounts 30 September 2012. The company's shares were listed on NASDAQ OMX Iceland on 16 November. As a part of the listing process it was decided to sell 6,000,000 shares of its treasury shares. The net proceeds from the sale amounted to EUR 7.5 million which will strengthen the company's financial position in fourth quarter 2012.

In connection with the company's listing on the NASDAQ OMX Iceland, the executive management decided to forfeit their share options. According to international accounting standards, the total value of cancelled agreements must be expensed in full. The derived value of the share options is EUR 3.6 million, according to the Black-Scholes Options Pricing Model, and would have been expensed over the lifetime of the agreements. At the end of September 2012 EUR 0.7 million have been recognized as expenses and up to EUR 2.9 million may therefore be expensed in the fourth quarter of 2012. Even though such expenses will directly affect the net income and EPS, it will have no effect on the company's cash flows or the total amount of net equity. The stock option program were put in place by resolutions at the annual general meeting in 2010 and an approval of a shareholders' meeting is needed to cancel the program.

SHAREHOLDERS

- **Eimskip's shares started trading at NASDAQ OMX Iceland on 16 November 2012**
- **The company's market capitalization was EUR 267.8 million on 29 November 2012**

Eimskip's shares started trading at the Main Market of NASDAQ OMX Iceland on Friday 16 November 2012. The company's market capitalization amounted to ISK 43.8 billion, or about EUR 267.8 million, on 29 November 2012. The closing price of the day was ISK 225.50 per share. Total number of shares is 200,000,000 and number of outstanding shares is 194.081.180.

ABOUT EIMSKIP

Eimskip runs a network of 49 offices in 17 countries and operates 17 vessels. Total number of employees is around 1,320, whereof around 760 are located in Iceland. About half of Eimskip's operating revenue comes from operations outside Iceland. The company's vision is to provide outstanding transportation services through a dependable transport system in the North-Atlantic, as well as offering extensive worldwide network of reefer logistics services.

INVESTOR MEETING 30 NOVEMBER 2012

Investors and market participants are invited to a meeting on Friday 30 November 2012 at 8:30 AM at Eimskip's headquarters in Korngardar 2 in Reykjavík. Gylfi Sigfússon, CEO, and Hilmar Pétur Valgardsson, CFO, will present the company's financial results. The presentation from the meeting will be available after the meeting on the company's website, www.eimskip.is.

APPROVAL OF THE BOARD OF DIRECTORS

The board of directors of Eimskipafélag Íslands hf. approved the interim financial statements for the period 1 January – 30 September 2012 on its meeting 29 November 2012. The interim financial statements are unaudited.

FURTHER INFORMATION

- Gylfi Sigfússon, CEO, tel.: +354 525 7202
- Hilmar Pétur Valgardsson, CFO, tel.: +354 525 7202
- Erna Eiríksdóttir, Senior Manager of Investor Relations, tel.: +354 825 7220, email: investors@eimskip.is

FORWARD-LOOKING STATEMENTS

Any statement contained in this press release that refers to the Company estimated or anticipated future results or future activities are forward-looking statements which reflect the Company's current analysis of existing trends, information and plans. These forward-looking statements are subject to a number of risks and uncertainties that could cause actual results to differ materially depending on factors such as the availability of resources, the timing and effect of regulatory actions and other factors. Eimskip undertakes no obligation and does not intend to update these forward-looking statements to reflect events or circumstances occurring after this press release. You are cautioned not to place undue reliance on these forward-looking statements, which speak only as of the date of this press release. All forward-looking statements are qualified in their entirety by this cautionary statement.