

FINANCIAL RESULTS 2012 ARE IN LINE WITH THE COMPANY'S EXPECTATIONS

- Operating revenue was EUR 414.3 million
- Adjusted operating profit (EBITDA) was EUR 40.8 million
- Net earnings amounted to EUR 12.7 million
- Equity ratio was 63.7% at year-end
- Transported volume of the company's liner services increased by 3.4% from 2011

EUR thousand

Consolidated Statement of Income	Q4 2012	Q4 2011	Change	2012	2011	Change
Operating revenue	105,508	100,137	5.4%	414,330	384,727	7.7%
Operating expenses	99,221	91,544	8.4%	378,162	341,572	10.7%
Operating profit (EBITDA)	6,287	8,593	(26.8%)	36,168	43,155	(16.2%)
Depreciation and amortization	(6,118)	(5,227)	17.0%	(22,436)	(23,223)	(3.4%)
Results from operating activities (EBIT)	169	3,366	(95.0%)	13,732	19,932	(31.1%)
Net finance expense	(1,049)	(1,157)	(9.3%)	(2,983)	(3,709)	(19.6%)
Net earnings (loss) before income tax	(880)	2,209	(139.8%)	10,749	16,223	(33.7%)
Income tax	(113)	(1,594)	(92.9%)	1,982	(3,078)	(164.4%)
Net earnings (loss) for the period	(993)	615	(261.5%)	12,731	13,145	(3.1%)
Adjusted for one-off items:						
Operating revenue	105,508	100,137	5.4%	414,330	378,337	9.5%
EBITDA	10,202	8,593	18.7%	40,764	37,465	8.8%
EBIT	4,084	3,366	21.3%	18,328	14,242	28.7%
Sales growth	5.4%	14.6%		9.5%	3.6%	
EBITDA / Sales	9.7%	8.6%		9.8%	9.9%	
EBIT / Sales	3.9%	3.4%		4.4%	3.8%	
Net debt / LTM EBITDA	0.54	0.50		0.54	0.50	
Consolidated Statement of Financial Position						
	31.12.2012	31.12.2011	Change	31.12.2012	31.12.2011	Change
Assets	313,281	283,224	10.6%	313,281	283,224	10.6%
Non-current assets	209,723	176,946	18.5%	209,723	176,946	18.5%
Equity	199,599	176,509	13.1%	199,599	176,509	13.1%
Liabilities	113,682	106,715	6.5%	113,682	106,715	6.5%
Net debt	21,950	18,689	17.4%	21,950	18,689	17.4%
Tangible assets / Total assets	93.7%	93.5%		93.7%	93.5%	
Equity ratio	63.7%	62.3%		63.7%	62.3%	
Consolidated Statement of Cash Flows						
	Q4 2012	Q4 2011	Change	2012	2011	Change
Net cash from operating activities	12,749	13,257	(3.8%)	36,872	27,226	35.4%
Net cash used in investing activities	(8,430)	(3,683)	128.9%	(39,188)	(22,577)	73.6%
Net cash from (used in) financing activities	4,107	(3,418)	(220.2%)	(4,369)	(11,495)	(62.0%)
Increase (decrease) in cash and cash equivalents	8,426	6,156	36.9%	(6,685)	(6,846)	(2.4%)
Effects of exchange rate fluctuations on cash held	62	329	(81.2%)	472	30	1,473.3%
Cash and cash equivalents at the end of period	37,304	43,517	(14.3%)	37,304	43,517	(14.3%)

GYLFI SIGFÚSSON, CEO

“Operational results of 2012 are in line with our expectations. Operating profit (EBITDA) in 2012 was EUR 40.8 million and has increased by 8.8% from previous year, taking into consideration one-off items. Net earnings for the year amounted to EUR 12.7 million. EBITDA in fourth quarter was 10.2 million, showing an 18.7% increase from fourth quarter 2011, taking into consideration the cost of listing and the forfeited share option agreements.

Transported volume in the company’s liner services in the North-Atlantic increased by 3.4% from previous year. The transported volume in the company’s reefer forwarding services decreased by 0.6% from 2011 after considerable increase in 2010 and 2011. The outlook for transport in the North-Atlantic is positive in the coming months. The company has experienced significant growth in transported volume from Norway and Faroe Islands and in volume between Europe and North-America.

Eimskip invested in three reefer vessels in 2012 that had been on charter since 2005. This investment further strengthens and secures the company’s liner services in the North-Atlantic, especially in the vessels’ services for the seafood industry in Norway. We expect that the two new container vessels that are currently being built in China will be delivered in second half of 2013, and they will strengthen the company’s sailing system and its services in the coming years.

Beginning in late March 2013, Eimskip’s America route will start calling Portland, Maine instead of Norfolk and Everett on the US east coast. The main objective of this change is to shorten transit time between North-America and Europe and to offer bi-weekly port calls. This change further supports increased transportation between Northern Norway and North-America and improves the connection between USA and Newfoundland. This new sailing schedule offers a bi-weekly schedule with a three day transit time, besides shortening the transit time between North-America and Iceland.

In 2012, Eimskip opened an office in Thailand and in March 2013 the company will open an office in Gdynia in Poland, further strengthening its reefer forwarding services in the Baltic.

The company continues to focus on strengthening and expanding its operations in the North-Atlantic, especially related to possible sailings in the Arctic and projects related to heavy industry, oil and mining as well as terminal services and other related services.

Eimskip implemented a new and advanced App which gives customers the opportunity to retrieve real time information about shipments through smartphones. The App is user friendly and also gives information about vessel locations, sailing schedule and liner routes, as well as information about the company’s main services. This App complements the company’s web ePort, where customers can track and trace their shipments, look up information and send in their shipment instructions. Since January 2013 Eimskip launched a new online service called eBOX, a special product for smaller shipments from Europe to Iceland with simplified pricing.

Eimskip will continue to focus on providing its customers excellent services which was, among other, done by strengthening its vessel, container and equipment fleet during the year.

Eimskip completed its initial public offering on NASDAQ OMX Iceland in November 2012. The main objective of the listing was to ensure a diverse and strong shareholder base, now numbering around 2,300 shareholders. The shares of Eimskip started trading on 16 November 2012.

Eimskip is excited about its future and growth prospects in the North-Atlantic and around the globe. On 17 January 2014 the company will be proudly celebrating its 100 years anniversary.”

OPERATIONS OF 2012

- **Operating revenue was EUR 414.3 million**
- **Adjusted operating profit (EBITDA) was EUR 40.8 million**
- **Net earnings amounted to EUR 12.7 million**
- **Transported volume of the company's liner services increased by 3.4% from previous year**
- **Transported volume of reefer forwarding services decreased by 0.6% from previous year**

Operating revenue in 2012 amounted to EUR 414.3 million compared to EUR 384.7 in 2011, corresponding 7.7% 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, but considering this one-off item the increase between years was 9.5%. There was an increase in transport volume in all main market areas and an increase of 3.4% in the liner service in the North- Atlantic between years. Transported volume in reefer forwarding services did however reduce by 0.6% from previous year, mainly due to fluctuations in transported volumes of fruits and vegetables to Europe from the company's markets in Asia. Despite reduction in volume, revenues have increased due to increased prices in sea freight on international markets.

Adjusted EBITDA was EUR 40.8 million in 2012 compared to EUR 37.5 million in 2011 with an increase of EUR 3.3 million, or 8.8%, between years. EBITDA ratio was 9.8% in 2012 compared to 9.9% in 2011. This takes into account several one-off items that significantly affect the comparison of operational results in 2011 and 2012.

The 2012 one-off items include the EUR 1.7 million cost of the company's listing on NASDAQ OMX Iceland and EUR 2.9 million non-cash expense related to the forfeiture of stock options. In order to secure the progress of listing the company on NASDAQ OMX Iceland, the executive management unilaterally decided to forfeit their share options granted under the company's stock option program which was established on the annual general meeting in 2010. According to International Financial Reporting Standards (IFRS) the management's forfeiture had the effect that the remaining unrecognized cost was expensed in the fourth quarter 2012. The expense has a direct effect on net earnings but has no effect on cash flows or the amount of total equity. The 2011 one-off items include the above mentioned one-off revenue item in the amount of EUR 6.4 million, which is a collected claim which had previously been written off, and cost of EUR 0.7 million related to the grounding of Godafoss. Without these adjustments, operating profit (EBITDA) was EUR 36.2 million compared to EUR 43.2 million in 2011.

Considering the aforementioned one-off items the EBIT for 2012 was EUR 18.3 million which is an increase of EUR 4.1 million or 28.7%. EBIT ratio was 4.4% in 2012 compared to 3.8% in 2011. Unadjusted EBIT for 2012 amounted to EUR 13.7 million compared to EUR 19.9 million in 2011. Depreciation and amortization decreased by EUR 0.8 million between years. Net finance expense was EUR 3.0 million compared to EUR 3.7 million in 2011, which is explained by less currency loss in 2012 than in previous year.

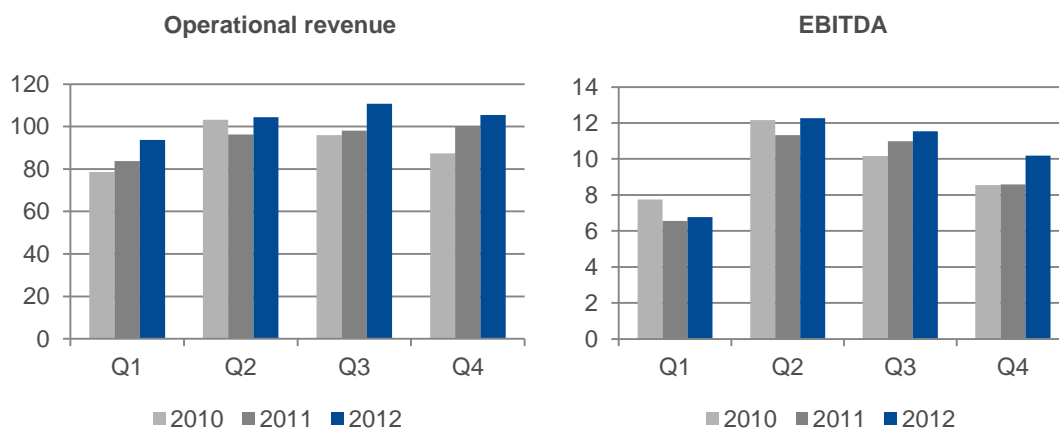
Income tax was positive in the amount of EUR 2.0 million which reflects in recognized tax losses carried forward in a foreign subsidiary in the amount of EUR 3.6 million. Net earnings for the period amounted to EUR 12.7 million compared to EUR 13.1 million in 2011, which is 3.2% decrease between years, not taking into account the one-off items in both years.

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

In these graphs operating revenue and EBITDA have been adjusted for the one-off items. Operating revenue and EBITDA has been reduced by EUR 6.4 million in first quarter 2011, due to a claim that had previously been written off. EBITDA has been 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 cost related to the company's listing. Finally EBITDA in fourth quarter 2012 has been increased by a

total of EUR 3.9 million, thereof by EUR 1 million due to the company's listing and by EUR 2.9 million due to cost related to the share options forfeited by the executive management.

EUR million



FOURTH QUARTER OPERATIONS 2012

- **Operating revenue was EUR 105.5 million and increased by 5.4% from previous year**
- **Adjusted operating profit (EBITDA) was EUR 10.2 million**
- **Transported volume of the company's liner services decreased by 2.3% from previous year**
- **Transported volume of reefer forwarding increased by 12.9% from previous year**

Operating revenue in fourth quarter was EUR 105.5 million compared to EUR 100.1 million in fourth quarter 2011, corresponding to 5.4% increase between years. There was an increase in transport volume in the company's market areas related to the Faroe Islands and Norway in fourth quarter compared to the same period 2011, but a decrease between years in volume related to Iceland. This did lead to a total decrease of 2.3% in transported volume of the company's liner services in the North-Atlantic. Transported volume of reefer forwarding services did increase by 12.9% in fourth quarter mainly due to increased transportation of fish from Europe to Asia as well as increased volume of fruits and vegetables within Asia and to Europe.

Adjusted EBITDA for the quarter was EUR 10.2 million in 2012 compared to EUR 8.6 million in 2011 with an increase of EUR 1.6 million, or 18.7%, between years. EBITDA ratio in the fourth quarter was 9.7% in 2012 compared to 8.6% in 2011. This takes into account several one-off items that significantly affect the comparison of operational results in 2011 and 2012.

Fourth quarter 2012 one-off items include the EUR 1.0 million cost of the company's listing on NASDAQ OMX Iceland and EUR 2.9 million non-cash expense related to the forfeiture of stock options as explained above. Without the adjustments EBITDA for 2012 was EUR 6.3 million compared to EUR 8.6 million in 2011.

Taking into account the above mentioned one-off items in 2012, EBIT amounted to EUR 4.1 million in fourth quarter, which is a significant increase from previous year. EBIT ratio in fourth quarter was 3.9% 2012 compared to 3.4% in 2011. Unadjusted EBIT was EUR 0.2 million in fourth quarter compared to EUR 0.7 million in 2011.

Net finance expense in fourth quarter amounted to EUR 1.0 million compared to EUR 1.2 million in 2011. Income tax was EUR 0.1 million in fourth quarter compared to EUR 1.6 million in 2011. Net loss after income tax was EUR 1.0 million compared to net earnings of EUR 0.6 million in fourth quarter 2011.

BALANCE SHEET AT END OF 2012

- **Total assets amounted to EUR 313.3 million**
- **Equity ratio was 63.7%**
- **Interest bearing debt amounted to EUR 59.3 million**

At the end of 2012 the company's assets amounted to EUR 313.3 million, compared to 283.2 million at the end of year 2011. Total non-current assets increased by EUR 32.8 million, whereof investments in vessels amounted to EUR 26.4 million. The company invested in three reefer vessels in February 2012 and has been making installment payments for the two container vessels currently being built in China which are expected to be delivered before the end of this year. In December 2012 Eimskip sold the vessel Írafoss which is a 1,890 ton vessel and the smallest one in the company's operation. Eimskip is now operating 16 vessels, whereof eleven are owned and five are chartered.

Total current assets amounted to EUR 103.6 million compared to EUR 106.3 million at year-end 2011. Cash and cash equivalents amounted to EUR 37.3 million and have decreased by EUR 6.2 million from the end of 2011, which reflects in investments in vessels and other equipment. Equity amounted to EUR 199.6 million at the end of the year compared to EUR 176.5 million at the end of 2011 and the equity ratio increased from 62.3% to 63.7% between years.

Interest bearing debts amounted to EUR 59.3 million at the end of the year compared to EUR 62.2 million at the end of 2011. Net debt was EUR 22.0 million at year-end compared to EUR 18.7 million at year-end 2011.

CASH FLOW AND INVESTMENTS

- **Net cash from operating activities was EUR 36.9 million**
- **Cash and cash equivalents amounted to EUR 37.3 million at year-end**
- **Net investments amounted to EUR 39.2 million during the first nine months**

Net cash from operating activities amounted to EUR 36.9 million compared to EUR 27.2 million in 2011. Net cash used in investing activities according to statement of cash flows was EUR 39.2 million. Investments in non-current assets in 2012 amounted to EUR 50.5 million, whereof EUR 26.4 million was invested in vessels, EUR 4.2 million in real estate and EUR 19.9 million in containers and other equipment. Net cash from financing activities were negative in the amount of EUR 4.7 million compared to negative amount of EUR 11.5 million in 2011. Therefore cash and cash equivalents decreased by EUR 6.7 million and amounted to EUR 37.3 million at the end of 2012.

SHAREHOLDERS

- **Eimskip's shares started trading at NASDAQ OMX Iceland on 16 November 2012**
- **The company's market capitalization was EUR 317.1 million on 28 February 2013**

Eimskip's shares started trading on NASDAQ OMX Iceland on Friday 16 November 2012. The company's market capitalization amounted to ISK 52.3 billion, or EUR 317.1 million, on 28 February 2013. The closing price of the day was ISK 269.50 per share. Total number of shares is 200,000,000 and number of outstanding shares is 194,081,180.

The Board of Directors proposes a dividend payment of ISK 408 million to shareholders in 2013, equal to EUR 2.5 million, which represents about 20% of net earnings for the year 2012.

KEY FIGURES BY QUARTERS 2012

EUR thousand

Operating Results	Q1	Q2	Q3	Q4	2012
Operating revenue	93,726	104,352	110,744	105,508	414,330
Operating expenses	86,950	92,086	99,905	99,221	378,162
EBITDA	6,776	12,266	10,839	6,287	36,168
EBIT	1,314	6,436	5,813	169	13,732
Net earnings (loss) for the period	582	7,394	5,748	(993)	12,731
Adjusted for one-off items:					
EBITDA	6,776	12,266	11,520	10,202	40,764
EBIT	1,314	6,436	6,494	4,084	18,328
EBITDA / Sales	7.2%	11.8%	9.8%	6.0%	8.7%
EBIT / Sales	1.4%	6.2%	5.2%	0.2%	3.3%
Balance Sheet	31.03.2012	30.06.2012	30.09.2012	31.12.2012	31.12.2012
Assets	284,656	299,766	303,077	313,281	313,281
Equity	176,907	184,698	190,415	199,599	199,599
Liabilities	107,749	115,068	112,662	113,682	113,682
Net debt	37,249	34,670	33,245	21,950	21,950
Equity ratio	62.1%	61.6%	62.8%	63.7%	63.7%
Cash Flow	Q1	Q2	Q3	Q4	2012
Net cash from operating activities	3,745	13,045	7,333	12,749	36,872
Net cash used in investing activities	(21,433)	(5,721)	(3,604)	(8,430)	(39,188)
Net cash from (used in) financing activities	(1,012)	(5,274)	(2,190)	4,107	(4,369)
Handbært fé í lok tímabils	24,997	27,201	28,816	37,304	37,304

ABOUT EIMSKIP

Eimskip runs a network of 51 offices in 18 countries and operates 16 vessels. Total number of employees is around 1,330, whereof around 770 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 1 MARCH 2013

Investors and market participants are invited to a meeting on Friday 1 March 2013 at 8:30 a.m. 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 investor relations website, www.eimskip.is/investors.

APPROVAL OF THE BOARD OF DIRECTORS

The Board of Directors of Eimskipafélag Íslands hf. approved the audited consolidated financial statements for the year 2012 on its meeting on 28 February 2013.

FURTHER INFORMATION

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- 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.