

SECOND QUARTER 2017 EBITDA IN LINE WITH EXPECTATIONS

EBITDA forecast for the year 2017 is unchanged, EUR 57 to 63 million

- **Revenue EUR 173.1 million, up by EUR 47.0 million or 37.2% from Q2 2016**
 - Volume in liner services up 3.5%; revenue up EUR 21.5 million or 22.4%
 - Volume in forwarding services up 39.6%; revenue up EUR 25.4 million or 84.3%, of which EUR 22.0 million came from new acquisitions
- **EBITDA EUR 16.7 million, up by EUR 0.5 million or 3.2% from Q2 2016**
 - EUR 1.1 million increased expenses related to cargo imbalance in Iceland which will be offset by new container positioning fee in the second half
- **Net earnings EUR 4.9 million compared to EUR 8.8 million in Q2 2016**
 - Mainly reflecting currency exchange movements of EUR 3.2 million
- **Equity ratio 54.5% and net debt EUR 77.8 million at the end of June**
- **EBITDA forecast for the year 2017 unchanged, EBITDA of EUR 57 to 63 million**

Amounts are in thousands of EUR

CONSOLIDATED INCOME STATEMENT	Q2 2017	Q2 2016	Change	%	6M 2017	6M 2016	Change	%
Revenue	173,060	126,102	46,958	37.2%	319,996	239,355	80,641	33.7%
Expenses	156,357	109,924	46,433	42.2%	293,983	213,545	80,438	37.7%
Operating profit - EBITDA	16,703	16,178	525	3.2%	26,013	25,810	203	0.8%
Depreciation and amortization	(7,485)	(6,797)	(688)	(10.1%)	(14,856)	(13,162)	(1,694)	(12.9%)
Results from operating activities - EBIT	9,218	9,381	(163)	(1.7%)	11,157	12,648	(1,491)	(11.8%)
Net finance (expense) income	(2,836)	706	(3,542)	-	(4,346)	(659)	(3,687)	-
Share of (loss) earnings of associated companies	(65)	115	(180)	-	(173)	215	(388)	-
Net earnings before income tax	6,317	10,202	(3,885)	(38.1%)	6,638	12,204	(5,566)	(45.6%)
Income tax	(1,383)	(1,447)	64	4.4%	(1,511)	(1,604)	93	5.8%
Net earnings for the period	4,934	8,755	(3,821)	(43.6%)	5,127	10,600	(5,473)	(51.6%)
Earnings per share in EUR	0.0253	0.0467	(0.0214)	(45.9%)	0.0255	0.0565	(0.0310)	(54.8%)
Revenue change	37.2%	(0.4%)			33.7%	0.0%		
EBITDA ratio	9.7%	12.8%			8.1%	10.8%		
EBIT ratio	5.3%	7.4%			3.5%	5.3%		
Net debt / LTM-EBITDA	1.45	0.60			1.45	0.60		
CONSOLIDATED STATEMENT OF FINANCIAL POSITION	30.06.2017	30.06.2016	Change	%	30.06.2017	31.12.2016	Change	%
Assets	434,390	371,003	63,387	17.1%	434,390	391,691	42,699	10.9%
Non-current assets	280,665	236,271	44,394	18.8%	280,665	253,256	27,409	10.8%
Current assets	153,725	134,732	18,993	14.1%	153,725	138,435	15,290	11.0%
Equity	236,706	229,928	6,778	2.9%	236,706	243,775	(7,069)	(2.9%)
Liabilities	197,684	141,075	56,609	40.1%	197,684	147,916	49,768	33.6%
Non-current liabilities	91,208	50,957	40,251	79.0%	91,208	64,456	26,752	41.5%
Current liabilities	106,476	90,118	16,358	18.2%	106,476	83,460	23,016	27.6%
Interest-bearing debt	114,376	78,846	35,530	45.1%	114,376	81,149	33,227	40.9%
Net debt	77,768	31,383	46,385	147.8%	77,768	41,606	36,162	86.9%
Tangible assets / Total assets	86.2%	92.7%			86.2%	89.4%		
Equity ratio	54.5%	62.0%			54.5%	62.2%		
CONSOLIDATED STATEMENT OF CASH FLOWS	Q2 2017	Q2 2016	Change	%	6M 2017	6M 2016	Change	%
Net cash from operating activities	11,779	15,671	(3,892)	(24.8%)	19,155	28,351	(9,196)	(32.4%)
Net cash used in investing activities	(24,989)	(4,293)	(20,696)	-	(40,051)	(14,240)	(25,811)	-
Net cash provided by (used in) financing activities	9,176	(11,103)	20,279	-	18,551	(2,242)	20,793	-
Changes in cash and cash equivalents	(4,034)	275	(4,309)	-	(2,345)	11,869	(14,214)	-
Cash and cash equivalents at the beginning of the period	41,356	47,337	(5,981)	(12.6%)	39,543	35,983	3,560	9.9%
Effects of exchange rate fluctuations on cash held	(714)	(149)	(565)	-	(590)	(389)	(201)	-
Cash and cash equivalents at the end of the period	36,608	47,463	(10,855)	(22.9%)	36,608	47,463	(10,855)	(22.9%)

GYLFI SIGFÚSSON, PRESIDENT AND CEO

“Eimskip’s second quarter 2017 EBITDA results are in line with the company’s expectations. Revenue in the second quarter grew by EUR 47.0 million or 37.2% compared to the same period last year and amounted to EUR 173.1 million. Liner services revenue grew by 22.4% and forwarding services revenue grew 84.3%, mainly due to new acquisitions. Expenses of the quarter grew by EUR 46.4 million or 42.2% compared to the second quarter last year. Liner services expenses were up 27.9% and forwarding services expenses were 80.6% up. The increase of expenses in the liner services is explained by expansion of capacity in the sailing system, cost related to imbalance between Icelandic imports and exports and higher fuel cost. Also higher salary cost both related to strengthening of the ISK and general wage and activity increase. The increase of expenses in the forwarding services is mainly due to addition of new forwarding companies to the group and growing freight rates from the deep sea lines.

In February Eimskip increased the capacity of its liner system by 7-11% by changing routes and adding one vessel, increasing operational cost of the system and it takes time and effort to fill up the additional capacity with new revenues. Imbalance between Icelandic imports and exports has increased, where imported volumes for the first six months grew substantially, mostly affected by import of vehicles and building material, at the same time as export has decreased, mostly affected by the fishermen strike in the first quarter. This imbalance creates additional cost of labor overtime in the port operation and cost of chartering in vessels for repositioning of containers and transport of excess cargo. Eimskip has reacted to this additional cost by increasing efficiency in the port operation going forward and by implementing on 1 June 2017 a Container Positioning Charge (CPC) in order to offset the cost.

EBITDA was EUR 16.7 million in the quarter compared to EUR 16.2 million in the second quarter last year, but the quarter was affected by EUR 1.1 million cost related to imbalance in the liner system.

The liner services revenue was EUR 117.5 million in the second quarter, up by EUR 21.5 million or 22.4%. The liner volume grew by 3.5% compared to the same period last year. Liner EBITDA for the quarter was EUR 11.8 million and decreased by EUR 1.1 million or 8.7%, affected by higher cost of EUR 2.1 million related to increased capacity in the liner system and imbalance between imports and exports.

Forwarding services were performing well in the quarter, with volume growth of 39.6% and revenue amounting to EUR 55.6 million, up by EUR 25.4 million or 84.3%. Forwarding acquisitions accounted for 70.3% of the forwarding revenue growth and 14.0% came from existing forwarding operations. EBITDA from forwarding was EUR 4.9 million and increased by EUR 1.7 million or 50.1%, of which 40.0% came from new acquisitions and 10.1% from organic growth.

The quarter’s result was affected by currency exchange fluctuations. Eimskip’s income statement is relatively well hedged but the balance sheet is more subject to currency changes. Weakening of the USD against the EUR of about 6.5% and strengthening of the ISK of about 3.7% against the EUR in the second quarter resulted in a negative currency exchange movements of EUR 2.0 million. Compared to EUR 1.2 million positive currency exchange movements in the second quarter 2016, the negative year-on-year difference was EUR 3.2 million. Net earnings for the quarter amounted to EUR 4.9 million compared to EUR 8.8 million in the second quarter last year, mostly resulting from the above mentioned currency exchange fluctuations.

The company’s revenue for the first six months amounted to EUR 320.0 million compared to EUR 239.4 million, for the same period last year. EBITDA for the first six months was EUR 26.0 million, up by EUR 0.2 million from last year’s EBITDA. Taking into account non-recurring items in the first quarter, adjusted EBITDA for the first six

months 2017 was up EUR 2.3 million and the adjusted EBITDA growth 9.7% compared to last year's EBITDA. The six months EBITDA was also negatively affected by EUR 3.8 million of additional expenses due to the changed sailing system and the imbalance cost. Net earnings amounted to EUR 5.1 million compared to EUR 10.6 million for the first six months 2016. Transported volume in the liner services grew by 3.3% compared to the first six months last year and the forwarding volumes were up 34.3%.

In January 2017 Eimskip signed a contract with a shipyard in China to build two 2,150 TEU ice class Polar Code container vessels with delivery in 2019. The first contract payment of EUR 11.7 million was made in May.

In June, Eimskip acquired 75% of the freight forwarding company SHIP-LOG A/S headquartered in Århus in Denmark. The company has a strong niche position in the temperature controlled food and pharmaceutical cargo sector. The company's annual revenue is approximately EUR 17 million with EBITDA margin of 6-7%.

Eimskip continues to work on organic growth and strategic accretive acquisitions to increase shareholder value. In February Eimskip changed its sailing system and added an additional vessel that combined increased capacity by 7-11%. The adding and adjusting of the sailing system increased expenses during the first half of the year by EUR 2.7 million. This investment in organic growth allows the company to be able to handle the substantial increase in imports to Iceland. The volume imbalance between imports and exports to and from Iceland caused congestion and inefficiency in the Sundahöfn terminal in Reykjavík. We have taken measures to control expenses and implemented the above mentioned container positioning surcharge (CPC) to offset the imbalance costs. The company is now well positioned to turn volume growth into increased profits in the second half.

The new acquisitions are performing well, are accretive and adding shareholder value to the group. The company's strategy to grow by acquiring specialized forwarding companies has worked well. The EBITDA for the forwarding segment has increased substantially during the six month period for the last three years, from EUR 3.8 million for the first six months 2015 to EUR 9.0 million for the first six months 2017, a 136% increase. Integration of these acquisitions is in process, creating more powerful network and opportunities for growth through new commodities, new trade lanes, cross selling and synergies. With these acquisitions we have also achieved other goals by increasing our proportion of asset light EBITDA, generating higher return on capital and geographically diversifying revenues and EBITDA. The company continues to evaluate additional acquisition opportunities and vessel investments on an ongoing basis.

The EBITDA results for the first six months are in line with our expectations. July EBITDA results are strong and volumes for the first three weeks in August are on track. The EBITDA forecast for the year 2017 is unchanged at EUR 57 to 63 million."

SECOND QUARTER OPERATIONS

Eimskip's revenue amounted to EUR 173.1 million in the second quarter 2017 compared to EUR 126.1 million in the same period last year, up EUR 47.0 million or 37.2%. Transported volume in the liner services grew 3.5%, mainly explained by import growth to Iceland, export from the Faroe Islands and liner services in Norway. Liner services revenue amounted to EUR 117.5 million, up 22.4%. Forwarding services performed well in the quarter, volume growth was 39.6% and revenue amounted to EUR 55.6 million, up 84.3%. Of the forwarding revenue growth, 70.3% is coming from the new acquisitions in the group and 14.0% from organic growth, resulting from higher international freight rates and growing transport volumes.

Total expenses in the second quarter were EUR 156.4 million compared to EUR 109.9 million in the same quarter last year, up by EUR 46.4 million or 42.2%. The liner services expenses amounted to EUR 102.2 million, up by

27.9%. The increase is explained by expansion of capacity in the sailing system, cost related to imbalance between Iceland imports and exports and higher fuel cost. Also higher salary cost both related to strengthening of the ISK and general wage and activity increase. Forwarding services expenses were EUR 54.1 million, up 80.6%. The increase of expenses in the forwarding services is, like the revenue growth, mainly explained by addition of new acquisitions, higher freight rates from the deep sea lines and growing transport volumes.

EBITDA for the quarter amounted to EUR 16.7 million compared to EUR 16.2 million in the second quarter last year, up EUR 0.5 million or 3.2%. The results were affected by the extraordinary cost related to imbalance in the liner system and cost related to merger and acquisitions, amounting to a total of EUR 1.2 million. The new acquisitions increased the second quarter's EBITDA by EUR 1.4 million.

EBITDA from the company's liner services was EUR 11.8 million in the quarter compared to EUR 12.9 million in the second quarter last year, down by EUR 1.1 million or 8.7%. EBITDA from the company's forwarding services was EUR 4.9 million, up EUR 1.7 million or 50.1%, of which 40.0% came from acquisitions and 10.1% from organic growth.

Depreciation and amortization amounted to EUR 7.5 million, up by EUR 0.7 million or 10.1%. The increase is mainly explained by higher investments in fixed and intangible assets and new group companies.

Net finance expense amounted to EUR 2.8 million in the second quarter compared to net finance income in the amount of EUR 0.7 million in the same period last year, negative year-on-year difference of EUR 3.5 million. Currency exchange fluctuations in the quarter resulted in a negative currency exchange movements of EUR 2.0 million compared to a EUR 1.2 million positive currency exchange movements in the second quarter 2016. The currency exchange movements is mainly resulting from weakening of the USD of about 6.5% against the EUR and strengthening of the ISK of about 3.7% against the EUR in the quarter.

Net earnings for the second quarter amounted to EUR 4.9 million compared to EUR 8.8 million for the same period 2016, down EUR 3.8 million, which is mostly explained by the currency exchange fluctuations, finance expense and increased depreciation.

SIX MONTHS OPERATIONS

- **Revenue EUR 320.0 million, up by EUR 80.6 million or 33.7% from 6M 2016**
 - Volume in liner services up 3.3%; revenue up EUR 30.4 million or 17.0%
 - Volume in forwarding services up 34.3%; revenue up EUR 50.2 million or 83.5%, coming from new acquisitions and organic growth
- **EBITDA EUR 26.0 million, up by EUR 0.2 million or 0.8% from 6M 2016**
 - Adjusted EBITDA EUR 28.3 million, up 9.7%, taking into account non-recurring items of EUR 2.3 million in 6M 2017

Eimskip's revenue for the first six months 2017 amounted to EUR 320.0 million compared to EUR 239.4 million in the same period last year, up by EUR 80.6 million or 33.7%. Transported volume in the liner services grew 3.3%, with growth in all three markets and volume growth in the forwarding services was 34.3%, due to new acquisitions and organic growth.

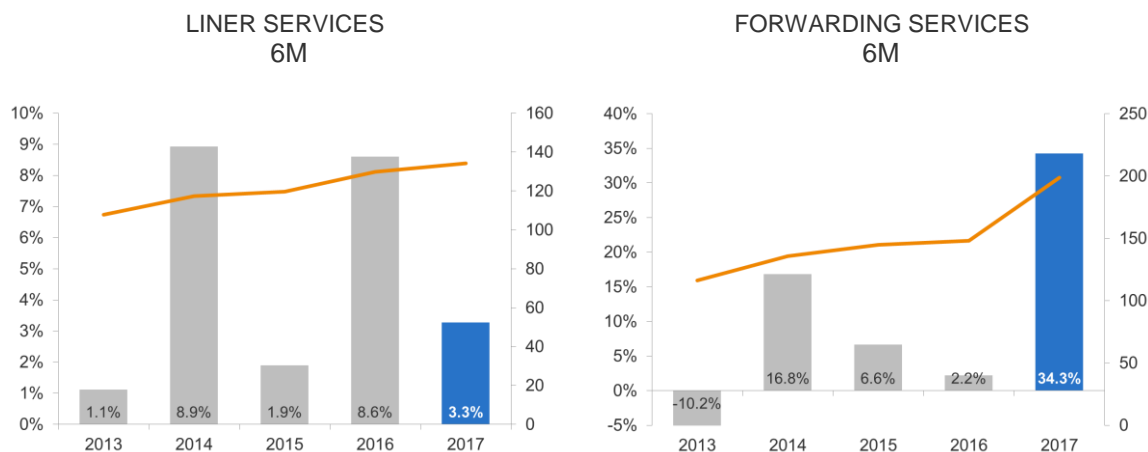
Total expenses of the company were EUR 294.0 million compared to EUR 213.5 million in the same period last year, up by EUR 80.4 million or 37.7%. The expense increase is explained by new acquisitions, expansion of capacity in the sailing system, higher fuel cost, higher salary cost related both to strengthening of the ISK and general wage and activity increase, higher freight rates from the deep sea lines and growing transport volumes.

EBITDA for the period amounted to EUR 26.0 million compared to EUR 25.8 million for the first six months last year, up by EUR 0.2 million or 0.8%. Adjusted EBITDA was EUR 28.3 million, up EUR 2.3 million or 9.7% from previous year, taking into account non-recurring items amounting to a total of EUR 2.3 million: EUR 1.5 million due to the fishermen strike, EUR 0.4 million cost related to acquisitions and a EUR 0.4 million fine imposed by the Financial Supervisory Authority in Iceland (FSA). The new acquisitions increased the EBITDA by EUR 2.9 million in the first six months.

The six months EBITDA was also negatively affected by EUR 3.8 million of additional expenses due to the changed sailing system and the imbalance cost.

Net earnings for the first six months amounted to EUR 5.1 million compared to EUR 10.6 million for the same period last year, down EUR 5.5 million which is mostly explained by currency exchange fluctuations, finance expense and increased depreciation.

The following graphs show that transported volume for the first six months in the company’s liner and forwarding services has been gradually increasing 2013 to 2017 compared to the same period the year before. The volume index on the right axis is based on the 2010 volume as 100.

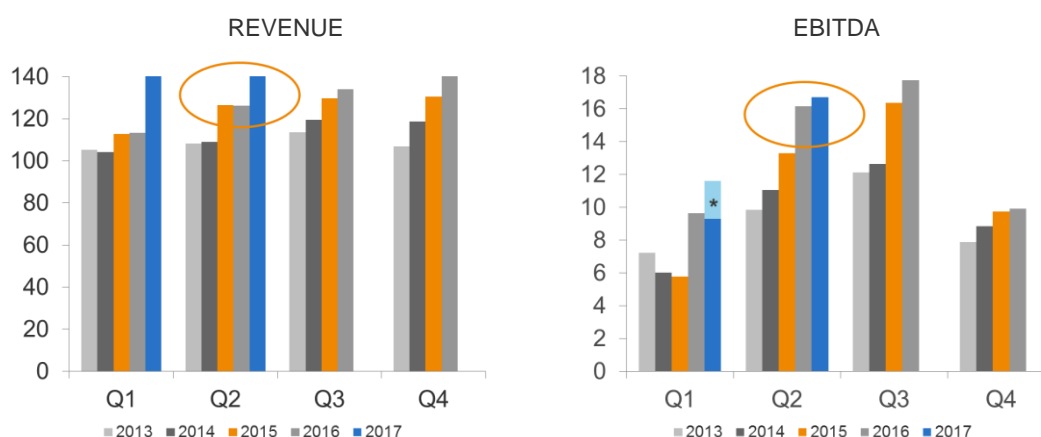


Changes were made to the company’s sailing system in February 2017 where a new Red Line was added and the services of the Green Line and the Gray Line were changed. Weekly coastal services were offered to support the increasing activities in Iceland. In May, the port of Helsingborg in Sweden replaced the port of Halmstad as a port of call. The new sailing system increases capacity to and from Europe and North America by 7-11%.

Eimskip operates 22 vessels, of which thirteen are owned and nine are chartered. Fourteen of the vessels are in scheduled services, three are in spot services, one is used for bulk cargo and four are in ferry operation. Eimskip purchased Sophia, a 700 TEU container vessel built in 2008, and renamed it Selfoss. The vessel was delivered in May and replaced the Ice Star on the Red Line.

The company’s operations have been growing during the past years as can be seen in the following graphs showing how revenues and EBITDA are divided to quarters from 2013 to 2017. There was substantial growth in revenue and EBITDA in 2015 and 2016 and revenue growth continued in the first two quarters this year. EBITDA in the first quarter 2017 takes into account non-recurring items in the amount of EUR 2.3 million: EUR 1.5 million negative effect of the fishermen strike in Iceland, EUR 0.4 million fine imposed by the Financial Supervisory Authority in Iceland and EUR 0.4 million cost related to acquisitions.

EUR million



* Add-back of EUR 2.3 million non-recurring items in Q1 2017

BALANCE SHEET

- **Total assets EUR 434.4 million at the end of June**
- **Equity ratio 54.5%**
- **Interest-bearing debt EUR 114.4 million**
- **Net debt EUR 77.8 million**

Total non-current assets amounted to EUR 280.7 million at the end of June 2017 compared to EUR 253.3 million at year-end 2016. Net investments in fixed and intangible assets amounted to EUR 24.2 million compared to EUR 15.0 million in the first six months 2016. The largest investments were the vessel building project in China, the vessel Selfoss and an enlargement of a chilled and cold storage facility at the Sundahöfn terminal.

Total current assets amounted to EUR 153.7 million at the end of June compared to EUR 138.4 million at the end of 2016. The change is explained by change in cash and trade receivables. Cash and cash equivalents amounted to EUR 36.6 million at the end of June compared to EUR 39.5 at year-end. Trade receivables increased from EUR 96.6 million at year-end 2016 to EUR 114.0 million at the end of June due to new group companies, seasonal fluctuations and currency exchange rates.

Equity amounted to EUR 236.7 million at the end of June and the equity ratio was 54.5% compared to 62.2% at year-end 2016. Dividend in the amount of ISK 1,269.1 million, equal to EUR 10.6 million, was paid to shareholders in April 2017.

Current liabilities amounted to EUR 106.5 million at the end of June compared to EUR 83.5 million at the end of 2016. The increase is explained by seasonal fluctuations, currency exchange rates, new group companies and increase in short-term loans and borrowings.

Interest-bearing debt amounted to EUR 114.4 million at the end of June and grew from EUR 81.1 million at the end of 2016. In January, Eimskip made an agreement with Íslandsbanki for a revolving credit facility with an agreed term of 18 months in the amount of EUR 47.0 million. The company has drawn a total of EUR 30.2 million on the credit facility in relation to investment projects, which mostly explains the increase in interest-bearing debt in the period. Net debt amounted to EUR 77.8 million compared to EUR 41.6 million at year-end 2016.

CASH FLOWS AND INVESTMENTS

- **Net cash from operating activities EUR 19.2 million in the first six months 2017**

- **Net cash used in investing activities EUR 25.0 million**
- **Cash and cash equivalents EUR 36.6 million at the end of June**

Net cash from operating activities was EUR 19.2 million in the first half of 2017 compared to EUR 28.4 million in the same period last year.

Net cash used in investing activities amounted to EUR 40.1 million compared to EUR 14.2 million in the same period 2016. Total capital expenditure was EUR 27.3 million, including maintenance CAPEX of EUR 8.7 million. The largest investments were the vessel building project in China, the vessel Selfoss and an enlargement of a chilled and cold storage facility in the Sundahöfn terminal. For comparison, CAPEX amounted to EUR 17.5 million in the first six months of 2016, including maintenance CAPEX of EUR 9.4 million.

Net cash provided by financing activities amounted to EUR 18.6 million compared to EUR 2.2 million net cash used in financing activities in the first half of last year. The change is mainly explained by payment of dividend and new loans related to investments.

Cash and cash equivalents at the end of June amounted to EUR 36.6 million compared to EUR 39.5 million at year-end 2016.

EBITDA FORECAST 2017

Eimskip's EBITDA forecast for the year 2017 is unchanged from what was presented in February and is EBITDA in the range of EUR 57 to 63 million.

The first half of the year was in line with the company's expectations as earlier outlined. The first quarter was negatively affected by the fishermen strike in Iceland and the second quarter was negatively affected by increased imbalance of cargo flow to and from Iceland, causing increased cost during the quarter. As of 1 June, the company implemented a Container Positioning Charge (CPC) to offset the increased cost. New acquisitions are performing according to expectations and are adding increased value to the company's operation. The outlook for the remainder of the year is positive. July EBITDA results are strong and volumes for the first three weeks in August are in line with expectations. Imported volume to Iceland is expected to grow and export volume is expected to be stronger in the second half. Export from the Faroe Islands is also expected to grow. The forwarding operation is expected to remain strong and grow due to new acquisitions and organic growth. Overall it is anticipated that the international freight rates and fuel prices in the second half will be in more harmony with the previous year, compared to the substantial increase in the first half of 2017. Competition remains strong in the market area, especially in the company's North Atlantic liner operation. The Trans-Atlantic services have been growing, following the increased capacity to and from North America, but decreased fishing quota in Newfoundland may affect the transported volume.

There is general uncertainty regarding global economic conditions, volumes, rates, fuel cost, currency exchange rates and competition.

SHAREHOLDERS

- **Eimskip's market capitalization EUR 452.8 million on 24 August 2017**

The year-end 2016 closing price of Eimskip's shares was ISK 322.50 per share and the average closing price for the year 2016 was ISK 274.24 per share. The closing price on 24 August 2017 was ISK 307.00 per share, representing Eimskip's market capitalization based on outstanding shares in the amount of ISK 57.3 billion that

day, the equivalent of EUR 452.8 million. For comparison, the company's market capitalization was ISK 53.6 billion or EUR 406.4 million on 24 August 2016.

The total number of shares is 200,000,000, thereof 186,639,230 shares are outstanding and 13,360,770 shares are in treasury. At year-end 2016 there were 806 shareholders and they were 742 on 23 August 2017.

Eimskip's Annual General Meeting, held on 23 March 2017, approved a dividend payment to shareholders of ISK 6.80 per share. The total dividend payment amounted to ISK 1,269.1 million, or EUR 10.6 million. The payment date was 19 April 2017.

KEY FIGURES BY QUARTER

Amounts are in thousands of EUR

OPERATING RESULTS	Q2 2017	Q1 2017	Q4 2016	Q3 2016	Q2 2016
Revenue	173,060	146,936	140,497	134,070	126,102
Expenses	156,357	137,626	130,592	116,310	109,924
EBITDA	16,703	9,310	9,905	17,760	16,178
EBIT	9,218	1,939	1,907	10,843	9,381
Net earnings for the period	4,934	193	1,914	9,381	8,755
EBITDA ratio	9.7%	6.3%	7.0%	13.2%	12.8%
EBIT ratio	5.3%	1.3%	1.4%	8.1%	7.4%
BALANCE SHEET	30.06.2017	31.03.2017	31.12.2016	30.09.2016	30.06.2016
Assets	434,390	414,652	391,691	379,111	371,003
Equity	236,706	234,879	243,775	240,061	229,928
Liabilities	197,684	179,773	147,916	139,050	141,075
Interest-bearing debt	114,376	91,733	81,149	79,958	78,846
Net debt	77,768	50,377	41,606	34,836	31,383
Equity ratio	54.5%	56.6%	62.2%	63.3%	62.0%
CASH FLOW	Q2 2017	Q1 2017	Q4 2016	Q3 2016	Q2 2016
Net cash from operating activities	11,779	7,535	14,485	5,831	15,671
Net cash used in investing activities	(24,989)	(17,479)	(18,442)	(7,225)	(4,293)
Net cash provided by (used in) financing activities	9,176	11,633	(1,306)	(1,213)	(11,103)
Cash and cash equivalents at the end of the period	36,608	41,356	39,543	45,122	47,463

INVESTIGATION OF THE ICELANDIC COMPETITION AUTHORITY

The investigation of the Icelandic Competition Authority is still ongoing. Eimskip will continue doing its best in providing answers in accordance with the company's legal obligation. It is in the interest of the company that the investigation will be completed as soon as possible.

THE FINANCIAL SUPERVISORY AUTHORITY IN ICELAND

A fine imposed by the Financial Supervisory Authority in Iceland (FSA) in the amount of EUR 0.4 million in relation to the publication of the company's first quarter results 2016 was expensed in the first quarter 2017. Eimskip has

referred the case to the Icelandic courts as the company disagrees with FSA's interpretation of the law and its conclusion.

ABOUT EIMSKIP

Eimskip is a leading transportation company in the North Atlantic with connections to international markets and is specialized in worldwide freight forwarding services, with the vision of providing excellence in transportation solutions and services. Eimskip was founded in 1914 and is a publicly traded company with its shares listed at Nasdaq Iceland. The company runs a network of 63 offices in 20 countries, operates 22 vessels and has about 1,790 employees.

INVESTOR MEETING 25 AUGUST 2017

Investors and market participants are invited to a meeting on Friday 25 August 2017 at 8:30 a.m. at Eimskip's headquarters in Korngardar 2 in Reykjavík. Gylfi Sigfússon, President and CEO, and Hilmar Pétur Valgardsson CFO will present the company's financial results for the second quarter and the first six months 2017. Documents and a recording of the meeting (in Icelandic) will be available after the meeting on the company's investor relations website, www.eimskip.com/investors.

APPROVAL OF THE BOARD OF DIRECTORS

The Board of Directors of Eimskipafélag Íslands hf. approved the company's Condensed Consolidated Interim Financial Statements for the period 1 January to 30 June 2017 at its meeting on 24 August 2017.

FINANCIAL CALENDAR

- Q3 2017: Published 21 November 2017
- Q4 2017: Published 22 February 2018
- Annual General Meeting 2018: 22 March 2018

FURTHER INFORMATION

- Gylfi Sigfússon, President and 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

Statements contained in this financial press release that refer to the company's 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.