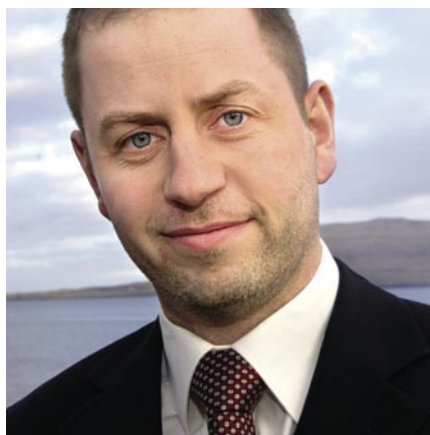


2005 saw Iceland's international transport logistics company Samskip enter the Faroes, at once taking a significant market share—while at the same time in Europe acquiring several companies to become a worldwide leader in short sea transport.

WHEN SAMSKIP OPENED in Faroes in 2004, the move was significant in an international context of temperature controlled transport and logistics, notably seafood. Iceland's fast growing transport logistics provider has become a worldwide market leader in short sea and intermodal transport services, defining its main business segments as Short-Sea Intermodal Container Transport, Iceland/Faroes Intermodal Container Transport, Reefer Logistics, and Worldwide Logistics. The four core businesses are supported by warehouses and coldstores in all Samskip's major ports offering possibilities for storage, stock control and local deliveries.

Over the past two years, Samskip has likewise acquired several international companies in the transport and logistics sectors: Kloosterboer, Van Dieren Maritime, Geest North Sea Line and Seawheel. Prior to the acquisitions, Samskip already had a 40-percent stake in Norway's Silversea.



THE FAROES SEEN AS SAMSKIP CORE BUSINESS

What was not so obvious to everyone was the strategic significance of the Kloosterboer Kollafjörður terminal. Part of a larger package, Samskip acquired a number of seafood-related cold storage facilities from Kloosterboer in a deal that also involves the joint efforts of the two companies to create a leading European specialist in reefer logistics for seafood and other frozen products.

"The Kloosterboer deal was in fact very much about the Faroe Islands as a North Atlantic transit hub," said Joel undir Leitinum, managing director of Samskip Faroes. He added: "In the Faroes, Kollafjörður has a perfect loca-

tion, close to everything; in the North Atlantic, the Faroes has a perfect location—close to the UK, close to Iceland, close to Norway. For the liners that go between Iceland and the Continent, the Faroes is right on the way. Now, the big thing here is fish and seafood, and the Faroes export a lot of it; but what really makes the place interesting is the growing demand from increasing numbers of international fishing vessels that discharge their catch in the Faroes."

The international traffic of course also raises other demands than seafood transport, Mr undir Leitinum explained. "In addition to services related to their



Samskip container vessel Helgafell loading at Kollafjörður (center); Faroe Islands managing director Joel undir Leitinum (bottom left); view of the Kloosterboer Kollafjörður terminal with Helgafell berthed (bottom right).

lent unit) full container vessels, the company offers weekly FCL (full container load) and LCL (less than container load) transport between Continental Europe, the UK, Scandinavia and Iceland. In the second link, with two 667-TEU full container vessels, Samskip offers a weekly FCL and LCL service between Faroes, Rotterdam, Immingham and Iceland. Like the other service, this one is fitted for dry containers, reefers, tanks and pallet-wide units. Combined, the services offer weekly container transport from Reykjavík, Reyðarfjörður, Klaksvík, Tórshavn (Kollafjörður), Immingham, Rotterdam, Aarhus, Cuxhaven, Moss and Varberg.

"We cover the essential ports in the right sequence," Mr undir Leitinum remarked, "and this makes our services ideal for both exports and imports. We have a combination of liner services that is unique and we have grown to become the largest player in the short sea shipping arena. We offer everything from temperature controlled 20 or 40 foot containers, door to door service, on-carriage to all UK and European destinations, two-day transit time from Klaksvík to Immingham, you name it."

In spite of a tough competitive environment, Samskip has been well received in the Faroes, Mr undir Leitinum said. "We've grown at a healthy pace here since we came and we want to grow more. To succeed in this, we have to be very competitive in price and service, which I believe we are."

Samskip has two regular links that include calls in Faroese ports, the Iceland Service 1 and the Iceland Service 2, respectively. In the former link, operated with two 908-TEU (twenty-foot equiva-

SAMSKIP

PO Box 3255, FO-100 Tórshavn

<http://www.samskip.fo>

E-Mail: joel@samskip.fo

Tel.: +298 308800

Fax: +298 308801

Managing Director Faroe Islands:
Joel undir Leitinum

International company offering transport and transport-related services by air land and sea, operating 55 offices in 22 countries. Transport network supported by global network of offices, agents and strategic partners

Kloosterboer Kollafjörður Terminal:
10,000 tons multifunctional cold-store. Offers different types of storage (bulk, racking, movable racks) together with BIP approved inspection rooms.
Kloosterboer Storage Manager:
Robert Poulsen
Tel.: +298 477777

In January 2006 Samskip opened an office in Vigo on the west coast of Spain, with main focus on chilled and frozen seafood.

The office in Vigo is believed to further strengthen and improve Samskip's reefer services following the major steps in this direction that were taken during 2005 with the purchase of cold storage terminals from Kloosterboer.

Samskip has experienced constant growth since the company was founded in Iceland in 1990. With the Vigo office included, the company operates 55 offices in 22 countries, employing about 1,400 people.

