TRANSATLANTIC

Interim Report January-June 2012

Aug 8, 2012
from Rederi AB TransAtlantic (publ)

Interim report January-June 2012

Second quarter 2012

- Net revenues amounted to SEK 864 M (661)
- Result before capital costs, EBITDA, amounted to SEK 35 M (31)
- Result before tax amounted to SEK -124 M (-73)
- Result after tax amounted to SEK -124 M (-52)
- Earnings per share after tax amounted to SEK -1.1 (-0.8)

January-June 2012

- Net revenues amounted to SEK 1 725 M (1 239)
- Result before capital costs, EBITDA, amounted to SEK 20 M (54)
- Result before tax amounted to SEK -256 M (-138)
- Result after tax amounted to SEK -256 M (-105)
- Earnings per share after tax amounted to SEK -2.3 (-1.6)
-

Significant events

- As anticipated, earnings for the second quarter were weak for both Viking Supply Ships (VSS) and Industrial Shipping (IS), but the underlying operating results were better in Q2 than in Q1.
- The charter agreement between Viking Supply Ships and Sakhalin Energy Investment Company Ltd. (SEIC) is now in full operation following approval by the parties.
- During the first six months of the year, VSS focused on increasing the number of vessels on fixed longer term contracts which was successful and is expected give positive effects during forthcoming quarters.
- Work in Industrial Shipping with the cost reduction program presented earlier this year, is progressing as planned.
- During the quarter, the Industrial Shipping vessel fleet was reduced to now include 35 vessels compared with 48 (31 Dec 2011). Several charter agreements were also renegotiated, which began to generate total positive effects and will generate additional positive effects in future quarters.

Key figures

Key figures	**January-June 2012**	January-June 2011
Net sales, SEK M	**1 725**	1 239
Operating result before tax, SEK M [1]	**-254**	-97
Result before tax, SEK M	**-256**	-138
Result after tax, SEK M	**-256**	-105
Earnings per share after tax, SEK	**-2.3**	-1.6
Shareholders' equity, SEK/share	**20.1**	42.2
Return on equity, %	**-21.7**	-8.8
Return on capital employed, %	**-5.4**	-4.3
Equity/asset ratio at balance day, %	**35.9**	43.9

1) Operating result: Earnings before tax, restructuring costs and acquisition effects.

President's statement for the period January-June 2012

As expected, the result for Q2 was weak, both Viking Supply Ships and Industrial Shipping experiencing weak markets, but thanks to cost reduction programs and seasonal effects, the underlying result was better in Q2 than in Q1. However, the result was charged with a number of nonrecurring provisions totaling SEK 28 M pertaining to a customer bankruptcy and continuing restructuring, among other factors. Also, in comparison with the year-earlier period for 2011, we reported an inferior result, primarily due to offshore ventures and corporate acquisitions.

Viking Supply Ships
The spot market continues to be weak due to such factors as deferred projects and a greater-than-expected availability of vessels. This had an adverse impact on the result for the period for Viking Supply Ships. However, we gained a number of contracts and we are focusing on securing more fixed contracts to ensure our financial position. Thanks to the new contracts that we gained, we will attain breakeven during the latter half of the year, even if the remaining idle vessels do not gain assignments on the spot market. This represents a major improvement compared with the situation just a few months ago. In terms of demand, we noted an increase in Arctic operations, a factor that should offer a stronger North Atlantic market for AHTS vessels in the future. We know we have the appropriate vessels and expertise and are fully poised to meet market requirements. In view of higher future demand, which cannot be met by the total fleet in the industry, we regard the long-term forecast for our fleet in a positive light.

Industrial Shipping
The Industrial Shipping business area is active in a very weak market, as reflected in the result. In parallel with regular operations, the business area is working keenly in conducting cost reduction programs, which in terms of the result, are expected to offset the very flat market. Among other actions, savings has been achieved through the renegotiation of time charter and the return of vessels, actions that have resulted in a more balanced vessel capacity. The number of vessels now amounts to 35 compared with 48 at year-end. Changes in crew policy, centralization of operations and bunker savings will result in positive future results. A new sales organization will be in place as of September that will offer services to our customers from our comprehensive portfolio.

Quality and environmental programs are key activities for TransAtlantic. During May, we renewed both the ISO 14001 and ISO9001 certifications, which are key factors for many of our customer groups. Using this platform, we aim at continual improvements that favor customer quality and the environment.

Although the result for the first six months is weak, we are more positive regarding the forthcoming quarter. This is because of higher fixed and longer-term assignments, as well as an improved spot market for Viking Supply Ships. In the Industrial Shipping business area, we expect improvements via cost reduction programs that will have a positive effect on earnings.

Gothenburg August 8, 2012

Henning E. Jensen,
CEO

Consolidated earnings for January-June

Consolidated net sales for amounted to SEK 1 725 M (1 239). The Group reported a result after tax of SEK -256 M (-105), of which restructuring costs and acquisition effects amounted total SEK -2 M (-41). The result before tax amounted to SEK -256 M (-138).

Group [1)]

	Apr-Jun		Jan-Jun		Full Year
SEK M	**2012**	2011	**2012**	2011	2011
Net sales	**864**	661	**1 725**	1 239	2 989
Result before capital costs, EBITDA	**35**	31	**20**	54	67
Operating result	**-51**	-59	**-148**	-100	-348
Result before tax	**-124**	-73	**-256**	-138	-466
Profit margin	**-14.4%**	-11.0%	**-14.8%**	-11.1%	-15.6%
Profit before tax by business area [1)]					
Viking Supply Ships business area	**-49**	-30	**-137**	-64	-110
Industrial Shipping business area	**-54**	-13	**-117**	-33	-162
Total operational result	**-103**	-43	**-254**	-97	-272
Restructuring items [2)]	**-27**	-27	**-8**	-38	-187
Acquisition effects [3)]	**6**	-3	**6**	-3	-7
Result before tax	**-124**	-73	**-256**	-138	-466
Tax [4)]	**0**	21	**0**	33	31
Result	**-124**	-52	**-256**	-105	-435
SEK per share					
Result after current tax	**-1.1**	-1.1	**-2.3**	-2.1	-7.3
Result after full tax	**-1.1**	-0.8	**-2.3**	-1.6	-6.6

1) The comparability is affected by Österströms and SBS Marine only being included part of 2011.

2) The amount for the period includes costs related to early redelivered timechartered vessel by SEK -4 M, bookgain from sale of real estate by SEK 11 M, bookgain from sale of TransNjord by SEK 2 M, expenses and staff provisions in connection with reflagging of four vessels and changes within land organization by SEK -20 M, bookgain from the sale of the previous daughter company Multidocker Cargo Handling AB by SEK 6 M. Included in the figures for full-year 2011 there is write-down of goodwill by SEK -58 M, costs related to former vice president by SEK -5 M, write-down of ships within business area Industrial shipping by SEK -32 M, costs related to the integration of Österströms Group and other restructuring within Industrial shipping by SEK -45 M. There are also restructuring costs and write-downs related to establishing the Danish structure by SEK -48 M.

3) The amount for the period is related to final adjustment of purchase price of Österströms International AB. The expense of SEK 7 M full-year 2011, pertained to costs in connection with the acquisitions of Österströms and SBS Marine (Holdings) Ltd. Included in the figures for the period is a capital gain related to intra-group sale of subsidiaries by SEK 85 M.

4) The period includes current tax totaling SEK 0 M (Jan-Mar 2011; SEK 0 M, Jan-Dec 2011; -18).

Financial position, investments and divestments

The table below summarizes changes in cash and cash equivalents for the period:

Consolidated cash-flow statement

	Apr - Jun		Jan - Jun		Full year
SEK M	**2012**	2011	**2012**	2011	2011
Cash flow from current activities before changes in working capital	**8**	6	**-87**	16	-37
Changes in working capital	**-53**	-56	**-80**	-5	152
Cash flow from current operations	**-45**	-50	**-167**	11	115
Cash flow from investing activities	**-15**	285	**-279**	105	-478
Cash flow from financing activities	**-127**	-208	**188**	-239	273
Change in cash and cash equivalents	**-187**	27	**-258**	-123	-90
Opening cash flow	**475**	480	**548**	637	637
Exchange-rate difference in cash and cash equivalents	**-1**	16	**-3**	9	1
Cash and cash equivalents at end of period	**287**	523	**287**	523	548

Consolidated cash and cash equivalents at the end of the period amounted to SEK 287 M (30 Jun 2011; 523, 31 Dec 2011; 548). In addition, the Group has credit facilities in the form of unutilized overdraft facilities of SEK 34 M (30 Jun 2011; 21, 31 Dec 2011; 93). At the end of June, the Group's shareholders' equity amounted to SEK 2 231 M (corresponding to SEK 20.1/share), of which non-controlling interests in shareholders' equity amounted to SEK 14 M, corresponding to SEK 0.12/share.

Gross investments during the period amounted to SEK 457 M (30 Jun 2011; 458, Jan-Dec 2011; 1 239) before deductions for financing. Investments pertained primarily to cash payment for the delivery of the Brage Viking in January 2012. Effects from sale of real estate amounted to SEK 32 M.

MultiDocker Cargo Handling AB was divested according to decision at the Annual General meeting and is now a daughter company to, and fully owned by Skärdgårdshavet AB.

Newly issued corporate bonds have for the period generated a positive liquidity effect by SEK 345 M.

Financial position

	June	December
SEK M at the close of each period	**2012**	2011
Total assets	**6 223**	6 283
Shareholders' equity	**2 231**	2 493
Equity/assets ratio, %	**35,9%**	39,5%
Debt/equity ratio, %	**134,2%**	97,7%
Cash and cash equivalents	**287**	548
Number of shares outstanding	**110 902 700**	110 902 700
Shareholders' equity per share	**20,1**	22,5

Viking Supply Ships business area

The business area's vessels conduct operations for Arctic offshore, the offshore spot market in the North Sea and in the global offshore sector. The fleet comprises 14 offshore vessels that are equipped for and have the capacity to operate in areas with cold and severe weather conditions, such as the Arctic areas.

The Q2 results were disappointing, reflecting a weak spot market mainly due to oversupply of vessels in the North Sea spot market and lack of term activity world-wide. The loss is unsatisfactory SEK -49 M (-30) for the second quarter and -137 (-64) for the first half year. There was however small signs of recovery on the spot market towards the end of June, with utilization being 89% on the last day of the period.

Anchor Handling Tug Supply vessels (AHTS)

During the 2nd quarter of 2012 three vessels were on term charters, while five were traded in the spot market. The three vessels on term charters obtained an average daily income of SEK 406 000 with 100% utilization. The vessels on the spot market obtained an average daily income of SEK 177 000 with 59 % utilization. Vidar Viking arrived in Sakhalin in the beginning of July and commenced the 2.5 years contract for SEIC. Clearance and approval of the vessel in Russia were caused no major obstacles. The vessel has completed her first cargo runs at Charterers satisfaction. Tor Viking arrived Alaska in early July and the drilling operations in Chukchi Sea is about to start. The vessel had a generator failure which caused a few days off-hire.

Platform Supply Vessels (PSV)

The PSV market fell back compared to the previous quarter, with average spot rates of SEK 153 000 on the UK side. The spot fleet had a modest utilization and the spot rates ranged between SEK 109 000 and SEK 218 000. Three of the vessels were on medium term contracts. Average daily income was SEK 135 000 and the average utilization was 100 %. Frigg Viking and Idun Viking completed their charters in India in Q1 and spent first part of Q2 in yard for necessary maintenance and upgrades. Freya Viking spent two weeks in the ship yard for the planned dry docking in April. The vessel returned to the contract to Centrica on completion.

For the PSV-fleet, third quarter is usually a peak season and the market should remain on the tight side. There are however many new build vessels entering the market, plus a few vessels returning from pipe-lay projects during July. This will probably still keep rates on moderate levels during second half with a downward trend. Slightly better rates can be expected for the AHTS fleets over the next quarter due to a number of AHTS-vessels leaving the spot market for project work during the season. During the first six months of the year, VSS also focused on increasing the number of vessels on fixed long-term contracts which was successful. This is also expected to manage the risks of being active in the competitive North Sea Market.

Viking Supply Ships	April-June		January-June		Full year
	2012	2011	**2012**	2011	2011
Net sales	**285**	123	**498**	262	730
Result before capital costs, EBITDA	**71**	n.a.	**83**	n.a.	n.a.
Operational result	**-49**	-30	**-137**	-64	-110
Profit margin	**-17,2%**	-24,4%	**-27,5%**	-24,4%	-15,1%

Business Area Industrial Shipping

The business area offers integrated logistics solutions with vessel transportation. The operation is primarily active in system traffic in Northern Europe with RoRo, container vessels, as well as contract-based bulk and small bulk traffic.

The business area reported an operating loss of SEK -54 M (-13) for the quarter and SEK -117 M (-33) for the six-month period. The amount included nonrecurring provisions of SEK 18 M, including provisions in connection with a customer bankruptcy, as well as retroactive payroll overhead. However, due to seasonal effects and cost savings, the underlying operating results were better in the second quarter than in the first quarter.

Like the preceding quarter, this quarter was generally characterized by weak demand in the market, which meant low rates in the spot market for TransAtlantic and other operators, as well as surplus capacity resulting in high cost levels per freighted unit. The continued strong Swedish krona (SEK) also had a negative impact on quarterly earnings since the majority of earnings occur in euro (EUR). The market is struggling with surplus capacity and higher indirect costs. The economic growth in core markets continues to be sluggish and no major change is currently expected.

RoRo
Low volumes from a major client had a negative impact on the result for the quarter in the RoRo-Division. Cost-cutting programs have begun to have an effect, thereby offsetting the impact of lower volumes. A contract has been signed with a new customer covering northbound container traffic from Bremerhaven to Kokkola, beginning in early July. This new contract, as well as indications of higher volumes, is expected to positively impact the result for the latter half of the year.

Container
Lower freight volumes during the quarter had an adverse effect on the result. The new terminal in Hull offers several operational benefits; however, weak volumes have also affected these operations. One vessel – TransNjord – was divested in June, as part of efforts to adjust capacity to current volumes in the Trans Pal Line, from four to three vessels. This cost-cutting action – combined with the fact that two competitors plan to terminate their operations in Södertälje – offers the potential for improvements in the result during the latter six months

Bulk
The quarterly result for the Bulk division improved, thanks to the full effects of some major contracts. However, during the latter stage of June, the bankruptcy of one of the division's major customers entailed a considerable drop in volume, which was expected to be offset in a spot market under pressure.

Short Sea Bulk (SSB)
Short Sea Bulk's operations were acquired as of June 8, through the acquisition of Österströms. In recent years, profitability at SSB has steadily improved. The improvement during the first six months was mainly attributable to the increase in volume from the Finnish steel industry, which offset other volume declines, both from contractual customers and from the spot market, while the fleet was steadily adapted to meet current freight market conditions. Overall, six chartered vessels were returned during the first six months. The division will be adversely impacted during the latter six months by the decline in volume, combined with the aforementioned customer bankruptcy.

During the quarter, intensive efforts have been in progress to implement the cost-cutting programs announced during the former period. The primary areas identified and covered by this work are:

- Reduction of vessel capacity to meet existing freight volumes
- Renegotiation of chartering terms for a number of vessels
- Review of flagging and crewing policies
- Consolidation of the business area's offices in Sweden
- Ambitious initiatives aimed at bunker savings
- Restructuring of the organization and a sharper focus on sales and customers.

The ongoing process of restructuring the organization will lead to a more efficient overall operation, to strengthen the headquarters in Gothenburg and to create a more powerful customer- and sales oriented organization. The consolidation of the offices in Sweden has generated layoffs of eleven staff members in Stockholm and Västerås, although most of them will continue working for the company until end of the year. After the close of the reporting period, 25 seafarers have been made redundant and the process of reflagging four vessels have started.

A continuing weak market is anticipated during the latter half of the year and a negative result is also expected the forthcoming period. However, the cost reduction program in combination with increased focus on sales will have an impact that is expected to generate enhanced results in H2 compared with H1.

Industrial Shipping	April-June		January-June		Full year
	2012	2011	**2012**	2011	2011
Net sales	**579**	538	**1 227**	977	2 259
Result before capital costs, EBITDA	**-36**	n.a.	**-63**	n.a.	n.a.
Operational result	**-54**	-13	**-117**	-33	-162
Profit margin	**-9,3%**	-2,4%	**-9,5%**	-3,4%	-7,2%

Parent company

Earnings and financial position

The Parent Company's result before tax for the period amounted to SEK 37 M (187). The result after tax for the period amounted to SEK 55 M (208). The amount includes capital gain from sale of real estate of SEK 11 M, capital gain from intergroup sales of shares amounting SEK 85 M and positive outcome from completion of acquisition of Österströms International AB by SEK 6 M.

The Parent Company's shareholders' equity amounted to SEK 2 938 M (31 Dec 2011; 2 883); total assets amounted to SEK 3 860 M (31 Dec 2011; 4 543). The equity/assets ratio on the balance-sheet date was 76.1% (31 Dec 2011; 63.5). Cash and cash equivalents at the end of the period amounted to SEK 20 M (31 Dec 2011; 202).

Number of shares

Share distribution at June 30, 2012 is presented below:

Number of Series A shares	7 271 842
Number of Series B shares, listed	103 630 858
Total number of shares	110 902 700

See also Changes in Group's shareholders' equity, page 14.

Other

Corporate tax

The general situation for the Group is that taxes payable are highly limited. Accordingly, recognized corporate tax mainly comprises deferred tax. The recognized net deferred tax asset for the Swedish operations amounted to SEK 106 M (106) at 30 June, 2012. The recognized deferred tax liability for the operations outside Sweden amounted to SEK -33 M at December 31, 2011 (-43).

Transactions with closely related parties

Kistefos AS has provided consulting services amounting to SEK 5 M for the January – June 2012 period. There were no other significant transactions.

Risks and uncertainties

TransAtlantic is a Group characterized by a high degree of international operations, thereby exposed to a number of operational and financial risks. TransAtlantic works actively to identify, assess and manage these risks. Risk management is included as an element of the ongoing reviews of the operations. It has been deemed that no further key risks and uncertainties have arisen in addition to those risks and uncertainties described on page 41 in TransAtlantic's 2011 Annual Report.

TransAtlantic continues to evaluate a proposal from one of its banks for an agreement due to the non-achievement of certain key figures regarding the legal issues in the tax lease structure in 2010. All key figure demands relating to the financing of the ships included in the tax lease structure are in line with the requirements. Furthermore, dialog is also being conducted with an additional bank due to TransAtlantic not fully satisfying the financial covenant requirements in the loan agreements for financial key figures. As a result of the above, loans totaling SEK 31 M have been reclassified from long-term to current liabilities.

Accounting policies

This interim report, for the Group, was prepared in accordance with the application of IAS 34 Interim Financial Reporting and applicable rules in the Swedish Annual Accounts Act and for the Parent Company, in accordance with the Swedish Annual Accounts Act and the Swedish Financial Reporting Board's recommendation FRF 2 Accounting for Legal Entities. Unless otherwise noted, the same accounting policies for both the Group and the Parent Company have been applied as those used in the most recent Annual Report.

Due to finishing the operational split of the Group during the second quarter the segment "Ship management/Group-wide" has ceased to work as an independent area. In this report and in the future the remainings are included in the segments "Viking Supply Ships" and "Industrial shipping". Key-data have been recalculated due to changes in segments. For further information, please see Note 1 on page 17.

Viking Supply Ships will publish a separate report which is demanded due to the issued bond. Some values in that report are not comparable since there are different acquisition values and depreciation plans in VSS and the Group. VSS has from Q3 in 2011 been built through Group-internal transfers of vessels and operations at then current marketing prices, why disparities have arisen.

Number of employees

The average number of employees in the Group for the period January – June amounted to 813 people (888 at December 31, 2011)

Events after the close of the reporting period

25 seafarers were made redundant.

Further information is available on the website: www.rabt.se

Press and analyst conference

In conjunction with the publication of the Q2 report 2012, a teleconference will be held on Wednesday Aug 8, 2012 at 10 am (GMT + 1) with TransAtlantic's President and CEO, Henning E. Jensen, CFO Heléne Mellquist and CEO Viking Supply Ships, Christian W. Berg. In connection with the conference, a presentation will be available at the company's website, www.rabt.se. Please see Investor Relations/Interim report 2, 2012.

This information is such that TransAtlantic is obligated to publish in accordance with the Swedish Securities Act and/or the Swedish Financial Instruments Trading Act. This report has been prepared in both Swedish and English versions. In case of variations in the content between the two versions, the Swedish version shall govern. This report was submitted for publication at 8:30 a.m. on August 8, 2012.

The Board of Directors and the CEO confirm that the half year report gives an accurate summary of the Company's and the Groups' activities, position and results and describes the noteworthy risks and uncertainty faced by the Company and companies that are includes within the Group.

Gothenburg, August 8, 2012

Christen Sveaas Chairman	Folke Patriksson Deputy chairman	Håkan Larsson Board member	Magnus Sonnorp Board member
Christer Lindgren Employee representative	Henning E. Jensen CEO and Board member		

This Q2 report is unaudited.

For further information, contact the Head of Corporate Communications Carina Dietmann +46 (0) 31-763 2334.

Financial calendar 2012

November 2	Interim report January - September

The interim report is available in its entirety on the company's website at: www.rabt.se

Consolidated income statement

	Apr - Jun		Jan - Jun		Full Year
All amounts in SEK M	**2012**	2011	**2012**	2011	2011
Net sales	**864**	661	**1 725**	1 239	2 989
Other operating revenue [1)]	**9**	0	**20**	0	10
Direct voyage cost	**-387**	-329	**-818**	-598	-1 574
Personnel costs [2)]	**-186**	-132	**-350**	-286	-701
Other costs [3)]	**-265**	-169	**-557**	-301	-657
Depreciation/impairment	**-86**	-90	**-168**	-154	-415
Operating result	**-51**	-59	**-148**	-100	-348
Net financial items [4)]	**-73**	-14	**-108**	-38	-118
Result before tax	**-124**	-73	**-256**	-138	-466
Tax on result for the period [5)]	**0**	21	**0**	33	31
Result for the period	**-124**	-52	**-256**	-105	-435
Attributable to:					
Parent Company's shareholders	**-124**	-53	**-256**	-106	-430
Non-controlling interests	**0**	1	**0**	1	-5
INCOME FOR THE PERIOD	**-124**	-52	**-256**	-105	-435
Earnings per share, attributable to Parent Company's shareholders, per share in SEK (before and after dilution)	**-1.1**	-0.8	**-2.3**	-1.6	-6.5

1) Amount for the period includes a bookgain of SEK 11 M attributable to sale of real estate, bookgain of SEK 2 M from sale of TransNjord and reversal of write-down of goodwill of SEK 6 M related to the aquisition of Österströms International AB.

2) The amount for the period includes provisions of SEK -18 M due to the ongoing reflagging of four vessels and reductions of personnel ashore.

3) Early redelivery of a timechartered vessel has negative impact on the period of SEK -4 M and reorganization of ashore with SEK -2 M.

4) The amount for the quarter includes a capital loss related to revalued investment portfolio by SEK -13 M, and for the half with SEK -2 M.

5) The period includes current tax totaling SEK -1 M (Jan-Jun 2011; SEK 0 M, jan-dec 2011; -18).

Consolidated statement of comprehensive income

	Apr - Jun		Jan - Jun		Full Year
All amounts in SEK M	**2012**	2011	**2012**	2011	2011
Result for the period	**-124**	-52	**-256**	-105	-435
Other comprehensive income for the period:					
Change in hedging reserve, net	**-1**	-12	**1**	-5	-24
Change in translation reserve, net	**19**	90	**-7**	55	14
Other comprehensive income	**18**	78	**-6**	50	-10
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD	**-106**	26	**-262**	-55	-445
Total comprehensive income attributable to:					
Parent Company's shareholders	**-106**	25	**-262**	-56	-441
Non-controlling interests	**0**	1	**0**	1	-4
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD	**-106**	26	**-262**	-55	-445

Net sales by business area [1)]

	Apr - Jun		Jan - Jun		Full Year
All amounts in SEK M	**2012**	2011	**2012**	2011	2011
Viking Supply Ships business area	**285**	123	**498**	262	730
Industrial Shipping business area	**579**	538	**1 227**	977	2 259
TOTAL NET SALES	**864**	661	**1 725**	1 239	2 989

1) Due to finishing the operational split of the Group during the second quarter the segment "Ship management/Group-wide" has ceased to work as an independent area. In this report and in the future the remainings is included in the segments "Viking Supply Ships" and "Industiral shipping". Key-data have been recalculated due to changes in segments.
For further information see Note 1, page 17.

Result before tax by business area [1)]

	Apr - Jun		Jan - Jun		Full Year
All amounts in SEK M	**2012**	2011	**2012**	2011	2011
Viking Supply Ships	**-49**	-30	**-137**	-64	-110
Industrial Shipping	**-54**	-13	**-117**	-33	-162
OPERATIONAL RESULT BEFORE TAX	**-103**	-43	**-254**	-97	-272
Restructuring item [2)]	**-27**	-27	**-8**	-38	-187
Acquisition effects [3)]	**6**	-3	**6**	-3	-7
RESULT BEFORE TAX	**-124**	-73	-256	-138	-466
Attributable to:					
Parent Company's shareholders	**-124**	-74	**-256**	-139	-461
Non-controlling interests	**0**	1	**0**	1	-5

1) See Note 1 above.
2) The amount for the period includes costs related to early redelivered timechartered vessel by SEK -4 M, bookgain from sale of real estate by SEK 11 M, bookgain from sale of TransNjord by SEK 2 M, expenses and staff provisions in connection with reflagging of four vessels and changes within land organization by SEK -20 M, bookgain from the sale of the previous daughter company Multidocker Cargo Handling AB by SEK 6 M.
Included in the figures for full-year 2011 there is write-down of goodwill by SEK -58 M, costs related to former vice president by SEK -5 M, write-down of ships within business area Industrial shipping by SEK -32 M, costs related to the integration of Österströms Group and other restructuring within Industrial shipping by SEK -45 M. There are also restructuring costs and write-downs related to establishing the Danish structure by SEK -48 M.
3) The expense of SEK -7 M, full-year 2011, pertained to costs in connection with the acquisitions of Österströms International AB and SBS Marine (Holdings) Ltd.

Assets allocated by business area [1)]

All amounts in SEK M	**30.6.2012**	31.12.2011
Viking Supply Ships	**5 141**	4 962
Industrial Shipping	**1 082**	1 321
TOTAL ASSETS	**6 223**	6 283

1) See Note 1 above.

Consolidated balance sheet

All amounts in SEK M	**30.6.2012**	31.12.2011
Vessels	**5 051**	4 839
Other tangible fixed assets	**54**	75
Intangible fixed assets	**9**	14
Financial assets	**204**	187
Total fixed assets	**5 318**	5 115
Current assets 1)	**905**	1 168
TOTAL ASSETS	**6 223**	6 283
Shareholders' equity 2)	**2 231**	2 493
Long-term liabilities 3, 4)	**2 480**	2 182
Current liabilities 3, 4)	**1 512**	1 608
TOTAL SHAREHOLDERS' EQUITY, PROVISIONS AND LIABILITIES	**6 223**	6 283

1) Current assets includes cash and cash equivalents SEK 287 M (548) and short term investment portfolio in public shares SEK 78 M (14).
2) Including non-controlling interests amounting to SEK 14 M (14).
3) The total of the Group's long and short-term interest-bearing liabilities amounted to SEK 3,281 M (2,983).
4) By June 30, 2012 as a consequense of a refinancing decision, shiploans at the amount of SEK 689 M have been reclassified from long- into short term debts. The Group have not met some key data in a loan agreements and therefore SEK 31 M have been reclassified from long- into short term debts

Consolidated cash-flow statement

	Apr - Jun		Jan - Jun		Full Year
All amounts in SEK M	**2012**	2011	**2012**	2011	2011
Cash flow from operations before changes in working capital	**8**	6	**-87**	16	-37
Changes in working capital	**-53**	-56	**-80**	-5	152
Cash flow from current operations	**-45**	-50	**-167**	11	115
Cash flow from investing activities 1)	**-15**	285	**-279**	105	-478
Cash flow from financing activities 2)	**-127**	-208	**188**	-239	273
Changes in cash and cash equivalents	**-187**	27	**-258**	-123	-90
Cash flow at beginning of period	**475**	480	**548**	637	637
Exchange-rate difference in cash and cash equivalents	**-1**	16	**-3**	9	1
CASH AND CASH EQUIVALENTS AT END OF PERIOD 3)	**287**	523	**287**	523	548

1) Gross investments for the period amounted to SEK 457 M (Jan-Jun 2011; 458, full-year 2011; 1,239) before financing deductions. Investments pertained primarily to cash down payments for the delivery of the Brage Viking in January 2012, aquisition of public shares and dockings. The amount also includes a positiv liquidity effect from real estate transaction SEK 32 M.
2) Included is a positiv liquidity effect by SEK 345 M related to the recently issued corporate bonds during the quarter.
3) The Group's current assets include cash and cash equivalents of SEK 287 M (30.6.2011; 523, 31.12.2011; 548) at the end of the period. In addition, the Group had credit facilities in the form of unutilized overdraft totaling SEK 34 M (30.6.2011; 21, 31.12.2011; 93). Utilized overdraft at the end of the period amounted to SEK 13 M (30.6.2011; 91, 31.12.2011; 10).

Changes in the Group's shareholders' equity

	Apr - Jun		Jan - Jun		Full Year
All amounts in SEK M	**2012**	2011	**2012**	2011	2011
Equity at beginning of period	**2 337**	2 315	**2 493**	2 396	2 396
New share issue less costs for issuance	**-**	-	**-**	-	542
Total comprehensive income for the period	**-106**	26	**-262**	-55	-445
SHAREHOLDERS' EQUITY AT END OF PERIOD 1)	**2 231**	2 341	**2 231**	2 341	2 493

There are no option programs in the Group that may generate dilution effects.
1) Shareholders' equity includes non-controlling interests totaling SEK 14 M (19).

	Apr - Jun		Jan - Jun		Full Year
Share capital in SEK M	**2012**	2011	**2012**	2011	2011
Share capital at beginning of period	**110,9**	554,5	**1 109,0**	554,5	554,5
New share issue	**-**	-	**-**	-	554,5
Reduction of the share capital	**-**	-	**-998,1**	-	-
Share capital at end of period	**110,9**	554,5	**110,9**	554,5	1 109,0

	Apr - Jun		Jan - Jun		Full Year
Number of shares ('000)	**2012**	2011	**2012**	2011	2011
Number of outstanding shares at beginning of period	**110 903**	55 452	**110 903**	55 452	55 452
Newly issued shares	**-**	-	**-**	-	55 451
Total number of shares at end of period	**110 903**	55 452	**110 903**	**55 452**	110 903
Average number of shares outstanding (´000)	**110 903**	55 452	**110 903**	55 452	57 798
Bonus issue element 1)	**-**	-	**-**	-	8 448
Total	**110 903**	55 452	**110 903**	55 452	66 246

1) In a new share issue with preferential rights for old shareholders, where the issue price is lower than the share´s fair value, a so-called bonus-issue element arises, which impacts the calculation of earnings per share for the current period, and periods prior to the new issue. The bonus-issue element in the new share issue represents the value that the company´s shareholders are deprived of through a discount price on the share.

Data per share 1)

	Apr - Jun		Jan - Jun		Full Year
All amounts in SEK	**2012**	2011	**2012**	2011	2011
Earnings before capital expenses (EBITDA)	**0.3**	0.5	**0.2**	0.8	1.0
Earnings before interest expenses (EBIT)	**-0.5**	-0.9	**-1.3**	-1.5	-5.2
Result after current tax	**-1.1**	-1.1	**-2.3**	-2.1	-7.3
Result after full tax	**-1.1**	-0.8	**-2.3**	-1.6	-6.6
Shareholders' equity at end of period including non-controlling interests	**20.1**	42.2	**20.1**	42.2	22.5
Operating cash flow	**-0.3**	0.3	**-0.9**	0.2	-0.8
Total cash flow	**-1.7**	0.4	**-2.3**	-1.9	-1.4

1) In a new share issue with preferential rights for old shareholders, where the issue price is lower than the share´s fair value, a so-called bonus-issue element arises, which impacts the calculation of earnings per share for the current period, and periods prior to the new issue. The bonus-issue element in the new share issue represents the value that the company´s shareholders are deprived of through a discount price on the share.

Key data [1)]

		Apr - Jun		Jan - Jun		Full Year
		2012	2011	**2012**	2011	2011
Earnings before capital expenses (EBITDA)	MSEK	**35**	31	**20**	54	67
Earnings before interest expenses (EBIT)	MSEK	**-51**	-58	**-148**	-99	-348
Shareholders' equity	MSEK	**2 331**	2 341	**2 331**	2 341	2 493
Net indebtedness	MSEK	**2 994**	1 859	**2 994**	1 859	2 407
Operating cash flow	MSEK	**-35**	17	**-104**	16	-51
Total cash flow	MSEK	**-187**	27	**-258**	-123	-90
Return on capital employed	%	**-3.6**	-5.0	**-5.4**	-4.3	-6.9
Return on shareholders' equity	%	**-21.7**	-8.8	**-21.7**	-8.8	-17.8
Interest cover	ggr	**0.6**	1.7	**0.3**	1.3	0.5
Equity/assets ratio	%	**35.9**	43.9	**35.9**	43.9	39.5
Debt/equity ratio	%	**134.2**	79.4	**134.2**	79.4	97.7
Profit margin	%	**-14.4**	-11.0	**-14.8**	-11.1	-15.6

1) Key figures are calculated in the same manner as in the most recent Annual Report, where the definitions are also published.

Parent Company income statement

	Apr - Jun		Jan - Jun		Full Year
All amounts in SEK M	**2012**	2011	**2012**	2011	2011
Net sales	**301**	307	**593**	626	1 333
Other operating revenue [1)]	**7**	0	**18**	0	0
Direct voyage costs	**-118**	-94	**-253**	-195	-436
Personnel costs [2)]	**-37**	-72	**-81**	-145	-307
Other costs	**-164**	-165	**-311**	-335	-756
Depreciation/impairment	**-1**	-18	**-2**	-20	-23
Operating result	**-12**	-42	**-36**	-69	-189
Net financial items [3)]	**-18**	269	**73**	256	1 413
Result before tax	**-30**	227	**37**	187	1 224
Tax on result for the year [4)]	**9**	11	**18**	21	-8
RESULT FOR THE PERIOD	**-21**	238	**55**	208	1 216
Other comprehensive income	**-**	-	**-**	-	-
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD	**-21**	238	**55**	208	1 216

1) Amount for the period includes a bookgain of SEK 11 M attributable to sale of real estate and positive effect by SEK 6 M related to completion of the aquisition of Österströms International AB.

2) The reduction in personnel costs compared to same period last year relates to employees transferred to subsidiaries within Viking Supply Ships Group.

3) Included in the figures for the period is a capital gain related to intra-group sale of subsidiaries by SEK 85 M. The item for the year-earlier period included capital gains from the divestment of the holding company for the vessels Obbola, Östrand and Ortviken totaling SEK 244 M. The full-year 2011 included capital gains from subsidiary divestments totaling SEK 270 M, impairment of shareholdings in subsidiaries totaling SEK -433 M, Group contribution of SEK 215 M, as well as dividends from subsidiaries totaling SEK 1,377 M.

4) The recognized amount includes only deferred tax.

Parent Company balance sheet

All amounts in SEK M	**30.6.2012**	31.12.2011
Tangible fixed assets	**9**	26
Intangible fixed assets	**-**	0
Financial fixed assets [1)]	**3 110**	3 878
Total fixed assets	**3 119**	3 904
Current asstes [2)]	**741**	639
TOTAL ASSETS	**3 860**	4 543
Shareholders' equity	**2 938**	2 883
Provisions	**28**	28
Longterm liabilities [1, 3)]	**610**	1 204
Current liabilities [3)]	**284**	428
TOTAL SHAREHOLDERS' EQUITY, PROVISIONS AND LIABILITIES	**3 860**	4 543

1) The reduction of financial fixed assets, current assets and longterm liabilities are related to the internal restructuring of the Group.

2) Current assets includes cash and cash equivalents SEK 20 M (30.6.2011; 33, 31.12.2011; 202), and short term investmentportfolio in public shares SEK 78 (14).

3) The total of the Parent Company´s long and short-term interest-bering liabilities amounted to SEK 609 M (30.6.2011; 581, 31.12.2011; 1 232).

Changes in Parent Company's shareholders' equity

	Apr - Jun		Jan - Jun		Full Year
All amounts in SEK M	**2012**	2011	**2012**	2011	2011
Shareholders' equity at beginning of period	**2 959**	1 095	**2 883**	1 125	1 125
New share issue (less issue costs)	**-**	-	**-**	-	542
Total comprehensive income for the period	**-21**	238	**55**	208	1 216
SHAREHOLDERS' EQUITY AT END OF PERIOD	**2 938**	1 333	**2 938**	1 333	2 883

NOT 1 - EFFECTS DUE TO CHANGES IN SEGMENT REPORTING

1) Due to finishing the operational split of the Group during the second quarter the segment "Ship management/Group-wide" has ceased to work as an independent business area. In this report and in the future the remainings is included in the segments "Viking Supply Ships" and "Industrial shipping". Key-data have been recalculated due to chagnes in business areas.
How net sales, result before tax and assets are distributed to remaining segments is illustrated below.

Net sales by business area

	Apr - Jun		Jan - Jun		Full Year
All amounts in SEK M	**2012**	2011	2012	2011	2011
Earlier reported as business area Viking Supply Ships	**285**	94	**498**	199	568
Allocated from Ship management/Group-wide	**-**	29	**-**	63	162
Total business area Viking Supply Ships	**285**	123	**498**	262	730
Earlier reported as business area Industrial Shipping	**579**	538	**1227**	977	2 259
Allocated from Ship management/Group-wide	**-**	-	**-**	-	-
Total business area Industrial Shipping	**579**	538	**1 227**	977	2 259
Earlier reported as business area Ship Management/Group-wide	**-**	29	**-**	63	162
Allocated to business areas above	**-**	-29	**-**	-63	-162
Total business area Ship management/Group-wide	**-**	-	**-**	-	-
TOTAL NET SALES	**864**	661	**1 725**	1 239	2 989

Result before tax allocated by business area

	Apr - Jun		Jan - Jun		Full Year
All amounts in SEK M	**2012**	2011	2012	2011	2011
Earlier reported as business area Viking Supply Ships	**-49**	-21	**-137**	-48	-72
Allocated from Ship management/Group-wide	**-**	-9	**-**	-16	-38
Total business area Viking Supply Ships	**-49**	-30	**-137**	-64	-110
Earlier reported as business area Industrial Shipping	**-54**	0	**-117**	-11	-113
Allocated from Ship management/Group-wide	**-**	-13	**-**	-22	-49
Total business area Industrial Shipping	**-54**	-13	**-117**	-33	-162
Earlier reported as business area Ship Management/Group-wide	**0**	-22	**0**	-38	-87
Allocated to business areas above	**-**	22	**-**	38	87
Total business area Ship management/Group-wide	**-**	-	**-**	-	-
TOTALT RESULT BEFORE TAX	**-103**	-43	**-254**	-97	-272

Assets allocated by business area

All amounts in SEK M	**30.6.2012**	31.12.2011
Earlier reported as business area Viking Supply Ships	**5 141**	4 664
Allocated from Ship management/Group-wide	**-**	298
Total business area Viking Supply Ships	**5 141**	4 962
Earlier reported as business area Industrial Shipping	**1 082**	822
Allocated from Ship management/Group-wide	**-**	499
Total business area Industrial Shipping	**1 082**	1 321
Earlier reported as business area Ship Management/Group-wide	**-**	797
Allocated to business areas above	**-**	-797
Total business area Ship management/Group-wide	**-**	-
TOTAL ASSETS ALLOCATED BY BUSINESS AREA	**6 223**	6 283

Definitions

Share of interest-bearing capital
Equity and deferred tax (including minority share) divided by total assets.

Return on equity
Profit after financial items less tax on profit for the year, divided by average shareholders' equity.

Return on capital employed
Profit before depreciation and amortization (EBIT) divided by average capital employed.

Disinvestment
Divestment of fixed assets.

Dividend yield
Dividend per share divided by the closing share price at year-end.

EBIT
Earnings before interest and taxes, corresponding to operating profit/loss.

EBITDA
Earnings before interest, taxes, depreciation and amortization, corresponding to profit/loss before capital expenses and tax.

Equity per share
Equity divided by the number of shares outstanding.

Hedging
A general term for financial measures taken to avoid undesirable effects on earnings due to variations in interest rates, exchange rates, etc.

IFRS
International Financial Reporting Standards – an international accounting standard used by all listed companies. Some older standards included in IFRS include IAS (International Accounting Standards).

Net indebtedness
Interest-bearing liabilities less cash and cash equivalents.

Restructuring costs
Includes revenues and expenses of a non-recurring nature, such as capital gains/losses from the sale of vessels, impairment of vessels and costs related to personnel cutbacks.

Operating cash flow
Profit/loss after financial income/expense adjusted for capital gains/losses, depreciation/amortization and impairment.

Operating profit/loss (before tax)
Profit/loss before tax and before restructuring costs.

Operational profit/loss per business area
Profit/loss after financial items and before Group-wide expenses and central/Group-wide net financial income/expenses.

Operating profit/loss
Profit/loss before financial items and tax, and before restructuring costs.

Earnings per share
Profit after financial items less 1) current tax, 2) tax on profit for the year (current and deferred tax) in accordance with the consolidated income statement.

Interest coverage ratio
Operating profit/loss before depreciation plus interest income divided by interest expense.

Debt/equity ratio
Interest-bearing liabilities minus cash and cash equivalents divided by shareholders' equity.

Equity/assets ratio
Shareholders' equity divided by total assets.

Capital employed
Interest-bearing liabilities and shareholders' equity.

Total cash flow
Cash flow from operating activities, investing activities and financing activities.

Profit margin
Profit after financial items divided by net sales.

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