

# Q2

## Interim Report January-June 2013

August 7, 2013 from Rederi AB TransAtlantic (publ)



# Interim Report 2013, January - June

## Second quarter 2013

- Net revenues amounted to SEK 787 M (864)
- Result before capital costs, EBITDA, amounted to SEK 109 M (35)
- Result before tax amounted to SEK -42 M (-124)
- Result after tax amounted to SEK -62 M (-124)
- Earnings per share after tax amounted to SEK -0.6 (-1.1)

## January-June 2013

- Net revenues amounted to SEK 1 511 M (1 725)
- Result before capital costs, EBITDA, amounted to SEK 91 M (20)
- Result before tax amounted to SEK -180 M (-256)
- Result after tax amounted to SEK -199 M (-256)
- Earnings per share after tax amounted to SEK -1.8 (-2.3)

## Major events

- Industrial Shipping terminated a tax lease structure in the UK which has resulted in released liquidity and the transfer of a financial asset, previously formally belonged tax lease structure, to TransAtlantic. This financial asset is planned sold during the third quarter of 2013.
- To ensure a sufficient and stable funding, the Board of Directors has decided to seek shareholders' approval for a rights issue of SEK 150 M, implemented during the fourth quarter, 2013. Approval of the rights issue will be sought at an extraordinary general meeting, with the date to be announced later.
- In June, Viking Supply Ships issued a debt certificate with a nominal value of NOK 100 M with maturity in September 2014.
- In June, TransAtlantic issued debt certificates of SEK 140 M with maturity in December. The certificates will constitute a bridge financing until the previously announced rights issue of shares amounting to SEK 150 M has been completed.
- To optimize the Industrial Shipping fleet structure, a process to sell TransEagle was initiated in the second quarter, and completed in July 2013.
- As part of the restructuring program in Industrial Shipping, restructuring costs have been booked by net SEK -18 M. This includes depreciations of vessel values and other assets totaling SEK -57 M, including a booked loss of SEK -30 M related to sale of TransEagle during the third quarter, dissolutions of provisions by SEK 5 M and allocations by SEK -67 M related to residual value guarantees. In addition an income by SEK 101 M applies related to the terminated tax lease structure. The liquidity effect amounts to SEK 51 M in the second quarter and SEK 50 M in the third quarter.
- The company has ongoing discussions with lending banks to secure short- and long term stable funding. TransAtlantic has received waivers from relevant banks for the second quarter of 2013 in connection with breach of certain covenants.

## Key figures

### January-June

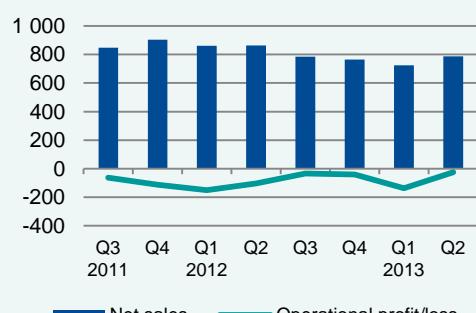
	2013	2012
Net sales, SEK M	1 511	1 725
Operational result before tax, SEK M <sup>1</sup>	-162	-254
Result before tax, SEK M	-180	-256
Result after tax, SEK M	-199	-256
Earnings per share after tax, SEK	-1.8	-2.3
Shareholders' equity, SEK/share	16.4	20.1
Return on equity, %	-20.3	-21.7
Return on capital employed, %	-3.3	-5.4
Equity/assets ratio at balance day, %	32.5	35.9

- Operational result: Earnings before tax, restructuring costs and acquisition effects.

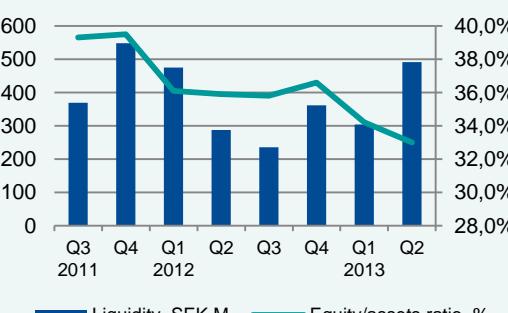
### Return on capital employed and shareholders' equity, %



### Net sales and operational profit, SEK M



### Liquidity and equity/assets ratio SEK M and %



## CEO statement

Earnings before tax for the second quarter of 2013 amounted to SEK -42 M (-124). The corresponding earnings for the first half of the year were

SEK -180 M (-256). The operational result before restructuring costs for the second quarter was SEK -24 M (-103) and SEK -162 M (-254) for the first half of the year. For the second quarter, the operational result was SEK -41 M (-54) for Industrial Shipping and SEK 17 M (-49) for Viking Supply Ships. For the first six months of the year, Industrial shipping reported an operational result of SEK -103 M (-117) and Viking Supply Ships reported an operational result of SEK -59 M (-137).

TransAtlantic's liquidity has for some time been strained and exposed to risks. To ensure sufficient and stable financing, the Board of Directors decided to seek shareholders' approval for a new rights issue totaling SEK 150 M, with implementation in the fourth quarter of 2013. The approval of the new rights issue will be sought at an Extraordinary General Meeting, the date of which will be announced later. Furthermore, Viking Supply Ships has issued a bond for a nominal NOK 100 M with maturity in September 2014 and TransAtlantic has issued 6 month debt certificates for SEK 140 M as a bridge financing for the planned rights issue of SEK 150 M.

In combination with the exit from the tax lease structure in Industrial Shipping (see below), these liquidity measures ensure that TransAtlantic has adequate liquidity to execute its strategy in the short and medium term.

### Industrial Shipping

Similar to earlier quarters, Industrial Shipping operates in a low margin and demanding market and there are currently no signs of any recovery for the remainder of the year. This is one of the reasons for accelerating and implementing extensive measures to create a more competitive organization, combined with continued strong focus on customers and commercial operations in order to gain market share. As part of this strategy, a number of new positions have been advertised primarily in the sales department.

The changed organizational structure has led to reductions of staff. During the second quarter, Industrial Shipping concluded negotiations pursuant to the Employment (Co-determination in the workplace) Act to reduce the labor force by 30 employees, several with administrative functions. This made possible the closing of the offices in Västerås and Stockholm. Furthermore, part of the administration in Hull, UK, is scheduled to be relocated to the head office in Gothenburg.

We signed an agreement for the sale of the port terminal in Västervik as part of our strategy to focus on our core business. This sale is conditional upon approval from the shareholders of Rederi AB TransAtlantic at an Extraordinary General Meeting.

TransEagle was sold at the end of the second quarter with closing taking place early in July. This is part of our fleet optimization initiative.

Industrial Shipping terminated a tax lease structure in the UK, which resulted in the release of liquidity and the transfer of a financial asset to TransAtlantic, which was formerly owned by the tax lease structure. This financial asset is planned sold during the third quarter of 2013. The termination of the UK tax lease structure generated positive earnings in the second quarter which were offset by other related balance sheet adjustments. The liquidity effect of the termination of the UK tax lease structure amounted to SEK 51 M in the second quarter. A further positive liquidity effect of about SEK 50 M is expected for the third quarter through the sale of the financial asset that was transferred to Transatlantic as a result of the UK tax lease termination.

These events combined with the issuance of the 6 month debt certificates resulted in a significant strengthening of the liquidity position for the Industrial Shipping business area and enable Industrial Shipping the required funding in order to execute its strategy and improvement programs.

### Viking Supply Ships

The result for the business area improved during the second quarter, compared with the previous quarters. The spot market in the North Sea improved and both rates and utilization for both AHTS and PSV vessels improved towards the end of the second quarter. A number of long term charter contracts for PSV vessels were signed. Viking Supply Ships has now centralized its support functions and the operational business management to the head office in Copenhagen. This means that the office in Kristiansand has been converted into a business office and the office in Gothenburg has been closed.

In conclusion, the cost structure for Viking Supply Ships is competitive, however, the cost structure for Industrial Shipping must be improved in order to meet continuously challenging market conditions. Industrial Shipping will continue to experience challenging quarters in the near term as a result of the same underlying market conditions that characterized the recent quarters. We will continue to implement structural and operational cost savings, combined with measures to increase revenue and strengthen our competitive position in order to gain market share. We still have a long way to go but the above mentioned proactive initiatives have gained traction and prove our ambition and capacity to execute according to our strategy.

Gothenburg, August 7, 2013

Henning E. Jensen,  
CEO



## Consolidated earnings for January-June

Consolidated net sales for the half year amounted to SEK 1 511 M (1 725). The Group reported a result after tax of SEK -199 M (-256), of which net restructuring costs and acquisition effects amounted total SEK -18 M (-2). The result before tax amounted to SEK -180 M (-256). The major restructuring items consisted of one-off revenues and provisions related to long term charter agreements, which also has been part of a during the year terminated tax lease arrangement, write downs of vessels within business area Industrial Shipping.

### Group

SEK M	Apr-Jun		Jan-Jun		Full Year
	2013	2012	2013	2012	2012
Net sales	787	864	1 511	1 725	3 274
Result before capital costs, EBITDA	109	35	91	20	120
Operating result	-5	-51	-83	-148	-143
<b>Result before tax</b>	<b>-42</b>	<b>-124</b>	<b>-180</b>	<b>-256</b>	<b>-356</b>
Profit margin	-5.1%	-14.4%	-11.9%	-14.8%	-10.9%
<b>Profit before tax by business area</b>					
Viking Supply Ships	17	-49	-59	-137	-119
Industrial Shipping	-41	-54	-103	-117	-208
<b>Total operational result</b>	<b>-24</b>	<b>-103</b>	<b>-162</b>	<b>-254</b>	<b>-327</b>
Restructuring items	-18	-27	-18	-8	-35
Acquisition effects	-	6	-	6	6
<b>Result before tax</b>	<b>-42</b>	<b>-124</b>	<b>-180</b>	<b>-256</b>	<b>-356</b>
Tax	-20	0	-19	0	-37
<b>Result</b>	<b>-62</b>	<b>-124</b>	<b>-199</b>	<b>-256</b>	<b>-393</b>
<b>SEK per share</b>					
Result after current tax	-0.4	-1.1	-1.6	-2.3	-3.2
Result after full tax	-0.6	-1.1	-1.8	-2.3	-3.5

For further information, please see tables on page 11-17.

## Financial position, investments and divestments

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

### Consolidated cash-flow statement

SEK M	Apr-Jun		Jan-Jun		Full Year 2012
	2013	2012	2013	2012	
Cash flow from current activities before changes in working capital	75	8	-13	-87	-119
Changes in working capital	-48	-53	15	-80	28
<b>Cash flow from current operations</b>	<b>27</b>	<b>-45</b>	<b>2</b>	<b>-167</b>	<b>-91</b>
Cash flow from investing activities	-51	-15	-70	-279	26
Cash flow from financing activities	203	-127	196	188	-115
<b>Change in cash and cash equivalents</b>	<b>179</b>	<b>-187</b>	<b>128</b>	<b>-258</b>	<b>-180</b>
Opening cash flow	304	475	361	548	548
Exchange-rate difference in cash and cash equivalents	8	-1	2	-3	-7
<b>CASH AND CASH EQUIVALENTS AT END OF PERIOD</b>	<b>491</b>	<b>287</b>	<b>491</b>	<b>287</b>	<b>361</b>

Consolidated cash and cash equivalents at the end of the period amounted to SEK 491 M (287). Cash assets include client funds on SEK 48 M. The Group has in a loan agreement agreed to ensure that cash is never less than the highest amount of either 5% of the Group's interest-bearing debt or equivalent NOK 150 M, deducting unused overdraft.

At the end of June, the Group's equity was SEK 1 819 M (equivalent to 16.4 SEK / share), including non-controlling interests amounted to SEK 5 M (or 0.04 SEK / share). This represents a reduction of equity of SEK 286 M in the first half of 2013. Equity per share is reduced by 2.6 SEK from 19.0 SEK per 2012 to 16.4 SEK in the second quarter of 2013. This is primarily due to period-negative result and currency effects related to investments in subsidiaries. Consolidated shareholders' equity during the quarter declined by a total of SEK -20 M (SEK -0.2 per share), of profit after tax of SEK -62 M (SEK -0.6 per share), changes in foreign exchange

hedging reserve of SEK -5 M (SEK -0.0 per share) and change in translation reserve of SEK 47 M (SEK 0.4 per share) attributable to currency differences on net investments in subsidiaries.

Viking Supply Ships has raised an additional tranche under the existing debt certificate, which yielded a total Viking Supply Ships net proceeds of approximately SEK 211 M. Rederi AB TransAtlantic has issued short-term debt certificates, generating net SEK 137 M. The debt certificates will be refunded once the cash from the forthcoming rights issue is obtained at the end of the year.

Gross investments during the quarter amounted to SEK 70 M (457) before deducting financing. These consisted mainly of capitalized docking expenses and complementary investments in vessels in the Business area Viking Supply Ships.

### Financial position

	June	December
	2013	2012
<i>At the close of each period</i>		
Total assets, SEKM	5 591	5 745
Shareholders' equity, SEKM	1 819	2 105
Equity/assets ratio, %	32.5%	36.6%
Debt/equity ratio, %	141.7%	124.7%
Cash and cash equivalents, SEKM	491	361
Number of shares outstanding	110 902 700	110 902 700

## Industrial Shipping business area

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.

As in the first quarter, also the second was characterized by difficult market conditions, overcapacity, declining prices and further reduced demand. The operating profit for the business area for the second quarter was SEK -41 M (-54) for the half year and SEK -103 M (-117).

Despite the tough market conditions, the first six months result is slightly better compared with the same period last year. The improvement mainly comes from operational efficiencies and cost savings. Increased sales focus and commercial activities has to some extent also given results and compensated lower volumes from existing customers.

### RoRo

Regular services have been conducted between Finland and Sweden / Germany / Belgium with four lines; TransLumi Line, TransBothnia Line TransFeeder North and TransBothnia Container Line. The volumes were negatively impacted by customers' reduced shipping needs caused by their declining production volumes. The lower volumes are partly compensated by lower bunker costs due to lower bunker prices, but also by a more efficient operation.

### Container

The volumes of the container line to England, (TransPal Line) and feeder traffic to Germany (TransFeeder South) has also been negatively affected by the current economic situation. Mainly TransPal Line is affected by lower volumes and freight rates due to the weak market in the UK and strong competition.

### Bulk

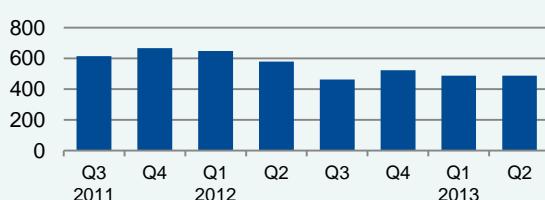
Just like other segments, the first half of 2013 was characterized by lower volumes and lower freight rates. This, in addition with having more vessels on Time Charter-lease and a weaker spot market has caused a negative result. Revenues have been lower due to fewer voyages and lower volumes per way. To some extent, the lower volumes have been compensated by lower voyage costs by an active coordination and optimization of the fleet. This has led to both lower bunker costs and lower Time Charter-costs.

During the second quarter, more cost savings were decided which will give a positive impact in the coming quarter. The savings include centralization of a number of administrative functions and optimizing the fleet by sales and return of leased vessels. Efficiency enhancements and commercial initiatives will continue in order to gain more market shares. The Customer Service department will be strengthened, offerings to new and existing customers will be broaden and the recruitment for key positions will accelerate.

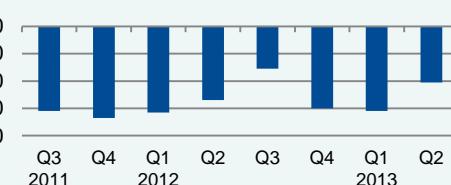
### Industrial Shipping

SEK M	Apr-Jun		Jan-Jun		Full year
	2013	2012	2013	2012	2012
Net sales	489	579	978	1 227	2 212
Result before capital costs, EBITDA	2	-36	-35	-63	-125
Operational result	-41	-54	-103	-117	-208
Profit margin	-8.4%	-9.3%	-10.5%	-9.5%	-9.4%

Net Sales Industrial Shipping, SEK M



Operational result, Industrial Shipping, SEK M



## 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 of which 7 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 improved compared with previous quarter and with the corresponding quarter in 2012. The North Sea spot market tightened during the second quarter, and rates for both AHTS and PSVs increased towards the end of the quarter. Average utilization for the first half year was 70% (67%) for the AHTS-fleet and 76% (76%) for the PSV-fleet. The operational result for the business area for the second quarter is SEK M 17 (-49), and for the half year period SEK -59 M (-137).

In June Viking Supply Ships raised NOK 100 M in a new unsecured short term bond in the Norwegian bond market with maturity in September 2014.

### Anchor Handling Tug Supply (AHTS)

During the second quarter of 2013 two vessels were on term charters, while six were traded in the North Sea spot market. The vessels on term charters

obtained an average fixture rate of SEK 404 T. The vessels on the spot market obtained an average fixture rate of NOK 375 T and a utilization of 64% (59%). For the second quarter the entire AHTS fleet obtained an average fixture rate of SEK 385 T and a utilization of 73% (72%). Magne Viking departed the North Sea at the end of the second quarter, and will commence its contract with Chevron Canada. The vessel will remain in Canada for the remainder of the year.

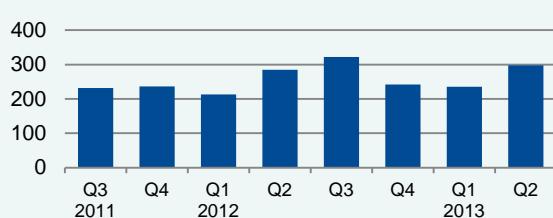
### Platform Supply Vessels (PSV)

Two of the vessels were on term contracts in the beginning of the second quarter, while four vessels were traded in the North Sea spot market. During the second quarter the company signed several term contracts for its vessels, hence the entire fleet was operating on term contracts as from the latter part of the second quarter. The vessels on term contracts obtained an average fixture rate of SEK 111 T. The vessels on the spot market obtained an average fixture rate of SEK 109 T and a utilization of 43% (48%). For the second quarter the entire PSV fleet obtained an average fixture rate of SEK 111 T and a utilization of 88% (70%).

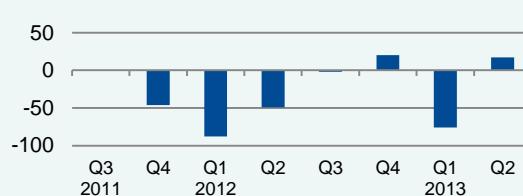
#### Viking Supply Ships

SEK M	Apr-Jun		Jan-Jun		Full year
	2013	2012	2013	2012	2012
Net sales	298	285	533	498	1 062
Result before capital costs, EBITDA	107	71	126	83	245
Operational result	17	-49	-59	-137	-119
Profit margin	5,7%	-17,2%	-11,1%	-27,5%	-11,2%

Net sales Viking Supply Ships, SEK M



Operational result Viking Supply Ships, SEK M



## Parent Company

### Earnings and financial position

The Parent Company's result before tax for the half year amounted to SEK -34 M (37). The result after tax for the period amounted to SEK -53 M (55). The Parent Company's equity amounted to SEK 2 554 M (2 607 on Dec 31, 2012), total assets to SEK 3 592 M (3 466 on Dec 31, 2012). The equity/assets ratio on the balance day was 71 % (75% on Dec 31, 2012). Cash and cash equivalents at the end of the period amounted to SEK 235 M (20). The improved cash balance is mainly related to short term debt certificate issued 2 quarter at the amount of SEK 137 M. The certificate will be repaid by the end of the year when the SEK 150 M new issue has been completed. The parent company has during the period been affected by restructuring items consisting of one-off revenues and provisions related to long term charter agreements, which also has been part of a during the year terminated taxlease arrangement, of net SEK 13 M.

### Number of shares

Share distribution on June 30, 2013 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 by the end of the quarter to SEK 54 M (74, on Dec 31, 2012). The recognized deferred tax liability for the operations outside Sweden amounted to SEK -4 M (-18, on Dec 31, 2012).

## Transactions with closely related parties

Kistefos has, through an extended consulting contract, been compensated for their management work by the SEK 7 M paid for the first half year and by SEK 5 M for the second quarter.

TransAtlantic has during the quarter extended the lease for a container ship, TransAlrek, owned by a German shipping company, in which TransAtlantic's Vice Chairman Folke Patriksson has a minority interest via his company Enneff Rederi AB. The agreement is on market terms and will run until 2014 with a quarterly rent for 2013 of SEK 3 M.

Vessel operations for three of the Group's Dutch-owned ships is operated by an external company, partly owned by Felix Feleus, who is also the CEO of TransAtlantic Netherlands BV. Fees for vessel operations are on commercial terms and amounted to SEK 246 T for the three vessels during the quarter. Agreement ceased at the end of March.

Rederi AB TransAtlantic took out an unsecured loan on May 29, 2013 of SEK 17 M from Viking Invest, which is 100% owned by Kistefos. The loan was repaid in full interests as of July 2, 2013.

Apart from the above, there were no other significant transactions.

## Risks and uncertainties

TransAtlantic operates in a highly competitive market with flat/negative growth and declining profit margins. The profitability is negative and the liquidity is strained and uncertain. TransAtlantic is exposed to various operational and financial risks factors. The key financial risk is mainly related to liquidity risk, funding risk and currency risk. TransAtlantic is exposed to currency risk which mainly relates to the SEK and NOK exchange rates, where SEK is the functional currency for TransAtlantic and NOK is the functional currency for Viking Supply Ships.

The main operational risk factors relates to the overall macro economic market conditions, degree of competition, flow of goods in priority market segments and finally the overall balance of supply and demand of vessels affecting rates and profit

margins. The objective of the overall risk management policy of the group is to ensure a balanced risk and return relationship.

TransAtlantic has been in breach for certain covenants for the second quarter, and has applied for and received waivers for the second quarter from relevant banks. Furthermore, in order to ensure a sufficient robust funding structure and liquidity position going forward and thereby enable a reduction of the financial risk TransAtlantic has during the second quarter strengthened the funding structure. Thus, Viking Supply Ships has in the second quarter of 2013 issued a new bond with nominal value of NOK 100 M, and TransAtlantic has issued a bond with nominal value of SEK 140 M as a bridge funding for the planned rights issue of SEK 150 M in the fourth quarter of 2013.

## 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.

The revised IAS 19, Employee Benefits, entered into force on January 1, 2013, with retrospective application. The biggest change is the option to defer actuarial gains and losses using the corridor approach disappears, they should on a current basis instead be included in other comprehensive income. Pension liabilities have been restated accordingly and included debt has been reduced by about SEK 2 M, with corresponding positive impact on equity capital.

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 at the end of the period was 873 (813). The increase due to the insourcing of Ship Management.

### Events after the close of the reporting period

The vessel TransEagle was sold.

The sale of the terminal in Västervik, Sweden. The sale is conditioned by shareholders at an Extraordinary General Meeting.

2013 at 10.00 am (GMT + 1) with TransAtlantic's CEO, Henning E. Jensen. In connection with the conference, a presentation will be available at the company's website, [www.rabt.se](http://www.rabt.se). Please see Investor Relations/Q2 Report 2013.

### Press and analyst conference

In conjunction with the publication of the Q2-report 2013, an earnings call will take place on August 7,

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 (GMT + 1). on August 7, 2013.

The Board of Directors and the CEO confirm that the year-end 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 7, 2013

Rederi AB TransAtlantic

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, please contact Head of Corporate Communications Carina Dietmann, ph +46 (0) 31-763 2334.**

## Financial calendar 2013

October 30      Interim report January – September

The interim report is available in its entirety on the company's website.

## Consolidated income statement

All amounts in SEK M	Apr - Jun		Jan - Jun		Full year
	2013	2012	2013	2012	2012
Net sales	787	864	1 511	1 725	3 274
Other operating revenue	101	9	101	20	28
Direct voyage cost	-266	-387	-621	-818	-1 489
Personnel costs	-148	-186	-299	-350	-670
Other costs	-365	-265	-601	-557	-1 024
Depreciation/impairment	-114	-86	-174	-168	-263
<b>Operating result</b>	<b>-5</b>	<b>-51</b>	<b>-83</b>	<b>-148</b>	<b>-144</b>
Net financial items	-37	-73	-97	-108	-212
<b>Result before tax</b>	<b>-42</b>	<b>-124</b>	<b>-180</b>	<b>-256</b>	<b>-356</b>
Tax	-20	0	-19	0	-37
<b>Result for the period</b>	<b>-62</b>	<b>-124</b>	<b>-199</b>	<b>-256</b>	<b>-393</b>
<i>Attributable to:</i>					
Parent Company's shareholders	-55	-124	-193	-256	-392
Non-controlling interests	-7	0	-6	0	-1
<b>INCOME FOR THE PERIOD</b>	<b>-62</b>	<b>-124</b>	<b>-199</b>	<b>-256</b>	<b>-393</b>
Earnings per share, attributable to Parent Company's shareholders, per share in SEK (before and after dilution)	-0.5	-1.1	-1.7	-2.3	-3.5

## Consolidated statement of comprehensive income

All amounts in SEK M	Apr - Jun		Jan - Jun		Full year
	2013	2012	2013	2012	2012
<b>Result for the period</b>	<b>-62</b>	<b>-124</b>	<b>-199</b>	<b>-256</b>	<b>-393</b>
<i>Other comprehensive income for the period:</i>					
Change in hedging reserve, net	-5	-1	0	1	0
Change in translation reserve, net	47	19	-87	-7	3
<b>Other comprehensive income</b>	<b>42</b>	<b>18</b>	<b>-87</b>	<b>-6</b>	<b>3</b>
<b>TOTAL COMPREHENSIVE INCOME FOR THE PERIOD</b>	<b>-20</b>	<b>-106</b>	<b>-286</b>	<b>-262</b>	<b>-390</b>
<i>Total comprehensive income attributable to:</i>					
Parent Company's shareholders	-13	-106	-280	-262	-387
Non-controlling interests	-7	0	-6	0	-3
<b>TOTAL COMPREHENSIVE INCOME FOR THE PERIOD</b>	<b>-20</b>	<b>-106</b>	<b>-286</b>	<b>-262</b>	<b>-390</b>

**Net sales by business area**

<b>All amounts in SEK M</b>	Apr - Jun		Jan - Jun		Full year
	<b>2013</b>	<b>2012</b>	<b>2013</b>	<b>2012</b>	<b>2012</b>
Viking Supply Ships business area	298	285	533	498	1 062
Industrial Shipping business area	489	579	978	1 227	2 212
<b>TOTAL NET SALES</b>	<b>787</b>	<b>864</b>	<b>1 511</b>	<b>1 725</b>	<b>3 274</b>

**Result before tax by business area**

<b>All amounts in SEK M</b>	Apr - Jun		Jan - Jun		Full year
	<b>2013</b>	<b>2012</b>	<b>2013</b>	<b>2012</b>	<b>2012</b>
Viking Supply Ships	17	-49	-59	-137	-119
Industrial Shipping	-41	-54	-103	-117	-208
<b>OPERATIONAL RESULT BEFORE TAX</b>	<b>-24</b>	<b>-103</b>	<b>-162</b>	<b>-254</b>	<b>-327</b>
Restructuring items	-18	-27	-18	-8	-35
Acquisition effects	-	6	-	6	6
<b>RESULT BEFORE TAX</b>	<b>-42</b>	<b>-124</b>	<b>-180</b>	<b>-256</b>	<b>-356</b>
<i>Attributable to:</i>					
Parent Company's shareholders	-35	-124	-174	-256	-355
Non-controlling interests	-7	0	-6	0	-1

**Assets allocated by business area**

<b>All amounts in SEK M</b>	<b>30.6.2013</b>	<b>31.12.2012</b>
Viking Supply Ships	4 611	4 777
Industrial Shipping	980	968
<b>TOTAL ASSETS</b>	<b>5 591</b>	<b>5 745</b>

## Consolidated balance sheet

All amounts in SEK M	30.6.2013	31.12.2012
Vessels	4 255	4 608
Other tangible fixed assets	37	50
Intangible fixed assets	31	34
Financial assets	235	207
<b>Total fixed assets</b>	<b>4 558</b>	<b>4 899</b>
Current assets	1 033	846
<b>TOTAL ASSETS</b>	<b>5 591</b>	<b>5 745</b>
Shareholders' equity	1 819	2 105
Long-term liabilities	2 743	2 785
Current liabilities	1 029	855
<b>TOTAL SHAREHOLDERS' EQUITY, PROVISIONS AND LIABILITIES</b>	<b>5 591</b>	<b>5 745</b>

## Valuation of financial assets and liabilities

The valuation of financial assets and liabilities in the balance sheet are based on acquisition value or fair value. The valuation of FX derivatives and interest rate derivatives are based on fair value. The balance items "Current assets" includes derivatives by SEK 0 M (0), "Long-term liabilities" by SEK 37 M (43) and "Current liabilities" by SEK 0 M (2). Valuation of other financial assets and liabilities items in the balance sheets are based on acquisition value.

### Assessment of fair value of financial instruments

The input used in the valuation of financial instruments base the three level classification:  
 Level 1, fair values based on market values, where the instruments are traded on an active market, are available. Level 2, no market values based on an active market are available, valuations are instead based on measurements of discounted cash flows. Level 3, at least one variable is based on own assessments.  
 The fair value valuation of the Group's FX- and interest rate instruments are based on input according to level 2.

## Consolidated cash flow statement

MSEK	Apr - Jun		Jan - Jun		Full year
	2013	2012	2013	2012	2012
Cash flow from operations before changes in working capital	75	8	-13	-87	-119
Changes in working capital	-48	-53	15	-80	28
<b>Cash flow from current operations</b>	<b>27</b>	<b>-45</b>	<b>2</b>	<b>-167</b>	<b>-91</b>
Cash flow from investing activities	-51	-15	-70	-279	26
Cash flow from financing activities	203	-127	196	188	-115
<b>Changes in cash and cash equivalents</b>	<b>179</b>	<b>-187</b>	<b>128</b>	<b>-258</b>	<b>-180</b>
Cash flow at beginning of period	304	475	361	548	548
Exchange-rate difference in cash and cash equivalents	8	-1	2	-3	-7
<b>CASH AND CASH EQUIVALENTS AT END OF PERIOD</b>	<b>491</b>	<b>287</b>	<b>491</b>	<b>287</b>	<b>361</b>

## Changes in the Group's shareholders' equity

All amounts in SEK M	Apr - Jun		Jan - Jun		Full year
	2013	2012	2013	2012	2012
Equity at beginning of period	1 839	2 339	2 105	2 493	2 493
Effect of change in accounting principles	-	-	-	2	2
Adjusted equity at beginning of period	1 839	2 339	2 105	2 495	2 495
Total comprehensive income for the period	-20	-106	-286	-262	-390
<b>SHAREHOLDERS' EQUITY AT END OF PERIOD</b>	<b>1 819</b>	<b>2 233</b>	<b>1 819</b>	<b>2 233</b>	<b>2 105</b>

Share capital in SEK M	Apr - Jun		Jan - Jun		Full year
	2013	2012	2013	2012	2012
Share capital at beginning of period	111	111	111	1 109	1 109
Reduction of the share capital	-	-	-	-998	-998
<b>Share capital at end of period</b>	<b>111</b>	<b>111</b>	<b>111</b>	<b>111</b>	<b>111</b>

Number of shares ('000)	Apr - Jun		Jan - Jun		Full year
	2013	2012	2013	2012	2012
Number of outstanding shares at beginning of period	110 903	110 903	110 903	110 903	110 903
<b>Total number of shares at end of period</b>	<b>110 903</b>				
Average number of shares outstanding ('000)	110 903	110 903	110 903	110 903	110 903

## Data per share

All amounts in SEK	Apr - Jun		Jan - Jun		Full year
	2013	2012	2013	2012	2012
Earnings before capital expenses (EBITDA)	1.0	0.3	0.8	0.2	1.1
Operating result (EBIT)	0.0	-0.5	-0.7	-1.3	-1.3
Result after current tax	-0.4	-1.1	-1.6	-2.3	-3.2
Result after full tax	-0.6	-1.1	-1.8	-2.3	-3.5
Shareholders' equity end of period incl. non-controlling interests	16.4	20.1	16.4	20.1	19.0
Operating cash flow	0.6	-0.3	-0.1	-0.9	-0.8
Total cash flow	1.6	-1.7	1.2	-2.3	-1.6

## Key data

		Apr - Jun		Jan - Jun		Full year
		2013	2012	2013	2012	2012
Earnings before capital expenses (EBITDA)	SEK M	109	35	91	20	120
Operating result (EBIT)	SEK M	-5	-51	-83	-148	-143
Shareholders' equity	SEK M	1 819	2 331	1 819	2 331	2 105
Net indebtedness	SEK M	2 578	2 994	2 578	2 994	2 623
Operating cash flow	SEK M	72	-35	-7	-104	-94
Total cash flow	SEK M	178	-187	128	-258	-180
Return on capital employed	%	-0.4	-3.6	-3.3	-5.4	-2.7
Return on shareholders' equity	%	-13.6	-21.7	-20.3	-21.7	-17.1
Equity/assets ratio	%	32.5	35.9	32.5	35.9	36.6
Debt/equity ratio	%	141.7	134.2	141.7	134.2	124.7
Profit margin	%	-5.1	-14.4	-11.9	-14.8	-10.9

## Parent Company income statement

All amounts in SEK M	Apr - Jun		Jan - Jun		Full year
	2013	2012	2013	2012	2012
Net sales	297	301	580	593	1 247
Other operating revenue	101	7	101	18	18
Direct voyage costs	-123	-118	-259	-253	-486
Personnel costs	-38	-37	-80	-81	-166
Other costs	-225	-164	-372	-311	-695
Depreciation/impairment	-2	-1	-3	-2	-3
<b>Operating result</b>	<b>10</b>	<b>-12</b>	<b>-33</b>	<b>-36</b>	<b>-85</b>
Net financial items	-4	-18	-1	73	-126
<b>Result before tax</b>	<b>6</b>	<b>-30</b>	<b>-34</b>	<b>37</b>	<b>-211</b>
Tax on result for the year	-19	9	-19	18	-67
<b>RESULT FOR THE PERIOD</b>	<b>-13</b>	<b>-21</b>	<b>-53</b>	<b>55</b>	<b>-278</b>
Other comprehensive income	-	-	-	-	-
<b>TOTAL COMPREHENSIVE INCOME FOR THE PERIOD</b>	<b>-13</b>	<b>-21</b>	<b>-53</b>	<b>55</b>	<b>-278</b>

## Parent Company balance sheet

All amounts in SEK M	30.6.2013		31.12.2012	
	2013	2012	2013	2012
Tangible fixed assets		3	3	
Intangible fixed assets		21	23	
Financial fixed assets		2 782	2 793	
<b>Total fixed assets</b>		<b>2 806</b>	<b>2 819</b>	
Current assets		786	647	
<b>TOTAL ASSETS</b>		<b>3 592</b>	<b>3 466</b>	
Shareholders' equity		2 554	2 607	
Provisions		75	7	
Longterm liabilities		532	584	
Current liabilities		431	268	
<b>TOTAL SHAREHOLDERS' EQUITY, PROVISIONS AND LIABILITIES</b>		<b>3 592</b>	<b>3 466</b>	

## Changes in Parent Company's shareholders' equity

All amounts in SEK M	Apr - Jun		Jan - Jun		Full year
	2013	2012	2013	2012	2012
Shareholders' equity at beginning of period	2 567	2 961	2 607	2 883	2 883
Effect of change in accounting principles	-	-	-	2	2
Adjusted equity at beginning of period	2 567	2 961	2 607	2 885	2 885
Total comprehensive income for the period	-13	-21	-53	55	-278
<b>SHAREHOLDERS' EQUITY AT END OF PERIOD</b>	<b>2 554</b>	<b>2 940</b>	<b>2 554</b>	<b>2 940</b>	<b>2 607</b>

## Definitions

### **Capital employed**

Interest-bearing liabilities and shareholders' equity.

### **Debt/equity ratio**

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

### **Disinvestment**

Divestment of fixed assets.

### **Dividend yield**

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

### **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.

### **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/assets ratio**

Shareholders' equity divided by total assets.

### **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).

### **Interest coverage ratio**

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

### **Net indebtedness**

Interest-bearing liabilities less cash and cash equivalents.

### **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.

### **Profit margin**

Profit after financial items divided by net sales.

### **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.

### **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.

### **Share of interest-bearing capital**

Equity and deferred tax (including minority share) divided by total assets.

### **Total cash flow**

Cash flow from operating activities, investing activities and financing activities



**Rederi AB TransAtlantic (RABT)** is a leading Swedish shipping company with headquarters in Gothenburg, Sweden, and additional offices in Europe. TransAtlantic is organized into two business areas: Industrial Shipping and Viking Supply Ships. Viking Supply Ships, which is active in offshore and icebreaking, is also a wholly owned subsidiary of RABT. The Industrial Shipping business area consists of three divisions: Bulk, Container and RoRo. The Group has about 850 employees and generated sales of SEK 3,274 M in 2012. The company's Series B shares are listed on the NASDAQ OMX Stockholm, Small Cap segment.

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