

## *Press release*

August 7, 2013

### **Interim Report January-June 2013**

#### **Second quarter**

- 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**

- 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.

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 RABT 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

The financial report is available in its entirety on [www.rabt.com](http://www.rabt.com).

In conjunction with the publication of the Q2 report 2013, an earnings call will take place on Wednesday August 7, at 10.00 am (GMT + 1) with TransAtlantic's CEO, Henning E. Jensen and interim CFO Erik Hansen.

Please dial in 5-10 minutes prior to start using the number and confirmation code below:

Phone number: +47 2350 0486

Confirmation code: 9107687

Prior to the call, a presentation will be published on <http://rabt.se/en/Investor-Relations>

*Rederi AB TransAtlantic is a leading Swedish shipping company with headquarters in Gothenburg, Sweden and additional offices in Europe. The company is organized into two business areas: Industrial Shipping and Viking Supply Ships. The company has about 850 employees and the turnover in 2012 was MSEK 3,274. The Industrial Shipping business area consists of three divisions: Bulk, Container and RoRo. The company's B-shares are listed on the NASDAQ OMX Stockholm, Small Cap segment. [www.rabt.se](http://www.rabt.se)*

*TransAtlantic is obliged to make this information public according to the Financial Markets Act and/or the Financial Instruments Trading Act (Sw: lagen om värdepappersmarknaden and lagen om handel med finansiella instrument). The information was submitted for publication on August 7, 2013 at 08.30 a.m.*