

*Press release, February 21, 2007  
from Rederi AB Transatlantic (publ)*

## **YEAR-END REPORT FOR 2006**

### **Strong fourth quarter secured record full-year earnings**

- *A strong improvement in operating profit was reported in the fourth quarter, compared with the year-earlier period. Earnings for the quarter amounted to SEK 69 M (3). The Group's operating profit improved sharply and amounted to SEK 216 M (100).*
- *The offshore market remained strong during the fourth quarter, and earnings for the Icebreaking/Offshore division totaled SEK 67 M (20). For the full year, the division reported record-high earnings of SEK 191 M (89).*
- *Earnings by the Transatlantic Services division improved during the quarter, but did not reach a satisfactory level. The division's operating profit for the full year amounted to SEK 12 M (0).*
- *The European Services division reported improved operating profit in the fourth quarter, and full-year earnings were in line with the year-earlier period, totaling SEK 37 M (37). Costs for market investments and the start of new operations were charged against earnings.*
- *An increase in the ordinary dividend to shareholders from SEK 1.00 per share to SEK 2.00 per share has been proposed.*
- *The consolidated operating profit for 2007 is expected to be in line with or higher than 2006.*
- **Results for January – December 2006:**

*Net revenue: SEK 2,252 M (2,334<sup>1</sup>)*

*Operating profit before tax: SEK 216 M (100<sup>1</sup>)*

*Profit before tax: SEK 207 M (314<sup>1</sup>) -Earnings per share: SEK 6.90 (10.20)*

*Profit after current tax: SEK 200 M (313<sup>1</sup>) -Earnings per share: SEK 6,70 (10.10)*

*Profit after full tax: SEK 188 M (291<sup>1</sup>) - Earnings per share: SEK 6,20 (9.40)*

*On December 31, 2006, shareholders' equity per share amounted to SEK 37,90 (36.80 at year-end 2005).*

*The equity/assets ratio on the closing date was 40% (40% at December 31, 2005).*

*1) Excluding operations terminated during 2005. In 2005, the result before tax was affected by the effects of mergers.*

### **Transatlantic's operations, goals and strategy**

Transatlantic consists of the Industrial Shipping business area, which comprises two divisions – Transatlantic Services and European Services – and the Icebreaking/Offshore division. Transatlantic Services and European Services are focused on contract shipping, primarily for the forest products and steel industries. The operations of the Icebreaking/Offshore division are based on combination vessels with long-term contracts and guaranteed income for icebreaking, in addition to other deployment, mainly for rig-relocation in the offshore market.

Transatlantic's business concept is to market, develop and deliver the market's most efficient transport solutions in close and active cooperation with customers.

Transatlantic's goal is to be the market leader in its segments, with profitability that generates a favorable return for shareholders. The goal is a return of 12% on shareholders' equity and an equity/assets ratio that does not fall below 30%.

The Group's strategy for the next few years emphasizes growth and sustainable profitability. Growth will be achieved both organically and through acquisition. The Group is also very open to the development of various partnerships aimed at broadening operations or implementing various investments and projects.

The ambitions for growth will require investments in new tonnage and replacement tonnage. These include all divisions and will be conducted without jeopardizing the Group's financial targets. It also means the Group's tonnage requirements will be partly resolved through charter contracts and by external investors becoming wholly or partly involved in the fleet operated by the Group.

The strategy for and development of the Group places major demands on quality, safety and the environment, as well as awareness of customer demands and a willingness to change.

### **Full year 2006 in brief**

Generally favorable shipping trends and conditions were noted during 2006, resulting in good capacity utilization, and price levels were marginally higher than prices during 2005. Within Transatlantic's segment, demand was satisfactory for the Icebreaking/Offshore and European Services divisions, while some areas of the Transatlantic Services division noted gradually weaker demand for capacity, mainly for timber volumes exported to the US.

The year was characterized by market investments and development of new operations in the European Services division, which were charged against earnings for the year. The investments are expected to generate significantly higher earnings in the long-term perspective.

A comprehensive tonnage renewal process was started in Transatlantic Services' traffic. As part of the process, a number of older vessels were sold and several vessels were leased under short-term contracts, pending delivery of new tonnage. Negotiations are now being conducted with several shipyards. Also during the year, three Finn vessels (owned as well as chartered tonnage) were lengthened to meet increased demand for capacity from the forestry industry, which had a negative impact on the Transatlantic Services division's earnings during the first half of the year.

As a result of extremely strong demand, the offshore market set new records during 2006. Capacity utilization and price levels increased sharply during the year, and the Icebreaking/Offshore division reported highly favorable operating profit. Two new anchoring vessels (AHTS) were ordered during the year, and an option was signed for two more vessels.

The Group's operating profit for the full year improved considerably compared with the preceding year. The Icebreaking/Offshore division demonstrated a very distinct earnings improvement. The Industrial Shipping business area also improved its earnings, but not to the same extent.

#### **General developments in the fourth quarter**

The generally favorable trend of demand remained satisfactory during the fourth quarter. Capacity utilization was good in both Icebreaking/Offshore and European Services division of the Industrial Shipping business area. However, lower capacity utilization was noted in Transatlantic Services operations due to a continued decline in timber volumes to the US and some temporary disruptions in paper exports from Northern Europe to the US.

- Earnings for Transatlantic Services improved, compared with the year-earlier period, which was extremely weak due to several disruptions to shipping. RoRo traffic in paper products and Transatlantic bulk operations both showed lower volumes than expected during the period.  
The division's operating result amounted to a loss of SEK 4 M (loss: 21).
- The European Services division reported higher available volumes, and earnings rose compared with a year earlier. The substantial investments in increased vessel capacity and marketing also continued during the fourth quarter.  
The division's operating results amounted to SEK 15 M (10).
- The operations of Icebreaking/Offshore noted continued strong development during the fourth quarter, which is normally a period of weak utilization due to difficult weather conditions. The business area operating results were sharply higher than a year earlier and amounted to SEK 67 M (20).

The consolidated operating profit for the fourth quarter increased by SEK 66 M, compared with the year-earlier period, and amounted to SEK 69 M (3).

**Consolidated earnings for full-year 2006**

The Group's net revenues for full-year 2006 were down 3% to SEK 2,252 M (2,334). The decline was due to a reduction in the number of vessels in the Group's external ship management assignments. Net revenues for both Group business areas increased by a combined total of 17%.

The Group's operating profit for the year amounted to SEK 216 M (100) and profit before tax totaled SEK 207 M (314, excluding earnings from divested operations). A loss of SEK 9 M attributable to divestments of vessels is included in earnings for the year. Earnings for the preceding year were affected strongly by merger effects, divestment of the Group's Dry Cargo division.

Net profit after tax totaled SEK 188M (314).

The Group's results are also presented in the following table:

<b>Group</b> <i>SEK M</i>	October - December		January - December	
	2006	2005	2006	2005
Net Revenue	621	628	2 252	2 334
Profit before capital costs ("EBITDA")	107	81	409	595
Operating profit	71	26	251	237
Profit before tax	65	5	207	314
<i>Profit margin (see definition in figures section)</i>	<b>10,5%</b>	0,7%	<b>9,2%</b>	11,4%
Profit before tax by business area				
Transatlantic Services	-4	-21	12	0
European Services	15	10	37	37
Icebreaking/Offshore	67	20	191	89
Group-wide	-9	-6	-24	-26
Total operating profit	69	3	216	100
Restructuring items	-4	2	-9	160
Reversal of negative goodwill in conjunction with merger	-	-	-	54
Discontinued operations (Dry Cargo)	-	-	-	23
Profit before tax	65	5	207	337
Current tax	-7	-1	-7	-1
Deferred tax	-3	-11	-12	-22
Profit after current tax	58	4	200	336
Profit after full tax	55	-7	188	314
<i>SEK per share</i>				
Operating profit after current tax <sup>1)</sup>	2,10	0,10	6,90	3,20
Profit after current tax <sup>1)</sup>	2,00	0,10	6,70	10,10
Profit after full tax <sup>1)</sup>	1,90	0,20	6,20	9,40

1) 2005 excluding operations divested during the year.

## Results by division

### Industrial Shipping – Transatlantic Services

The Transatlantic Services division, operated by the wholly-owned subsidiary Transatlantic Services AB, comprises three units that cooperate on tonnage and customer contracts with the aim of increasing capacity utilization and capitalizing on identified synergies.

The division's earnings improved, compared with full-year results for 2005, when the fourth quarter in particular was impacted strongly by several disruptions to shipping.

Cargo volumes in RoRo traffic for paper products stabilized during the year, and a gradual increase was noted in eastward volumes. Westward volumes were strong through October, followed by a temporary decline that led to unsatisfactory earnings for the fourth quarter.

Bulk/LoLo traffic was characterized by unsatisfactory trends for export volumes to the US throughout the second half of the year, which was attributed to lower American imports of wood products. Capacity has been adjusted, and the cooperation agreement with Kent Line, the Canadian shipping company, was terminated as part of efforts to create better growth opportunities and higher profitability for the Group's proprietary fleet.

Volume transports of paper products along the US East Coast were generally better than volumes in the preceding year.

The division's full-year earnings amounted to SEK 12 M (0).

#### **Transatlantic Services**

<b>Transatlantic services</b>	<b>October - December</b>		<b>January - December</b>	
<i>SEK M</i>	<b>2006</b>	2005	<b>2006</b>	2005
Net revenue	<b>182</b>	184	<b>798</b>	806
Profit/loss after net financial items	<b>-4</b>	-21	<b>12</b>	0
<i>Profit margin</i>	<b>-2,2%</b>	-11,4%	<b>1,5%</b>	0,0%

A number of transport contracts were renegotiated for 2007, and some price adjustments were made. Transport volumes are also expected to increase in 2007, and some tonnage will be transferred to other operations, pending increased capacity requirements in Transatlantic Services. The division anticipates a sharp increase in earnings during 2007.

#### **Industrial Shipping – European Services**

The operations, which are conducted through the subsidiary Transatlantic European Services AB, comprises scheduled feeder traffic of containers to the UK and Germany and contract-based small bulk traffic within Europe, as well as an expanding unit for European system traffic for forest products.

Scheduled traffic in the division is currently in a development phase with significant investments in new routes, increased tonnage capacity and marketing. This impacted the division's earnings during the year, but the investments are expected to generate significantly higher earnings over the long term.

Increased volumes were noted in scheduled traffic to the UK (**TransPal Line**) during the year, and several new customer contracts were signed for 2007. Market cooperation with Schenker continued to develop positively.

A gradual volume increase in feeder traffic to Germany (**TransFeeder Line**) was noted, and a new line was started between northern Finland and Germany via several harbors in the Baltic. The new route, which was started as a result of a new long-term transport agreement with the StoraEnso Group and several other customers, generated a positive market response and is believed to have significant development potential.

The new **TransLumi Line**, which started operations in 2006, accepted delivery of TransPulp, second NETSS vessel, during the fourth quarter. TransTimber, the third in a series of three vessels, is scheduled for delivery in the first quarter of 2007, after which the traffic system between northern Finland and Gothenburg-Lubeck will be fully developed. Volumes of third-party cargo have shown strong growth, and the business segment is believed to offer significant and interesting potential. TransLumi Line also operates and develops the Group's so-called system transport services for forest products using dedicated vessels.

Development of the contract-based, small bulk traffic was satisfactory, but marginally lower than growth in the preceding year.

The division's profit for the year amounted to SEK 37 M (37).

#### European Services

<b>European Services</b> <i>SEK M</i>	October - December		January - December	
	<b>2006</b>	2005	<b>2006</b>	2005
Net revenue	<b>288</b>	195	<b>917</b>	754
Profit/loss after net financial items	<b>15</b>	10	<b>37</b>	37
<i>Profit margin</i>	<b>5,2%</b>	5,1%	<b>4,0%</b>	4,9%

#### Icebreaking/Offshore

Operations are conducted through the Norwegian joint-venture company TransViking AS, in which Transatlantic owns 50%.

The high level of demand for offshore tonnage, which has prevailed since late autumn of 2004, continued throughout all of 2006. Anticipated strong demand for energy and the continued high price of oil means that demand for offshore tonnage is expected to remain high in the next few years. Although a number of new vessels will be delivered during 2007, they are expected to meet the growing demand.

The earnings capacity and utilization of the division's vessels was high throughout most of 2006. Odin Viking, a new vessel, within the framework of the joint venture, was acquired during the year and two new vessels were ordered with options for additional AHTS vessels.

Development during the fourth quarter of the year was extremely favorable, leading to improved full-year earnings compared with the preceding year.



The division's earnings amounted to SEK 191 M, more than double earnings in the preceding year (89).

#### Icebreaking/Offshore

Icebreaking/Offshore <i>SEK M (division earnings)</i>	October - December		January - December	
	2006	2005	2006	2005
Net revenue	98	42	294	162
Profit/loss after net financial items	67	20	191	89
<i>Profit margin</i>	68,4%	47,6%	65,0%	54,9%

The offshore market is expected to remain strong during 2007. The division plans to increase the capacity of several ships during the latter part of the year, which may lead to a modest decline in earnings. Operations early in the year have been much stronger than anticipated, however, and favorable earnings are also expected for full-year 2007.

#### Central Group organization

The central Group organization comprises management and the Production support function, as well as central administration and finance management. This includes ship management, which is responsible for Transatlantic's own fleet, as well as assignments for external vessel owners. These are responsible for all operating costs, and Transatlantic invoices actual operating expenses incurred and fees for the external vessels. The primary motive for accepting external assignments is to achieve economies of scale for shipboard employees and for the comprehensive purchases undertaken for the Group's fleet of vessels. Certain non-profitable external assignments were discontinued, which resulted in reduced net revenue compared with the preceding year.

Central Group organization expenses, which include net financial items for central finance management, declined somewhat and amounted to SEK 24 M (26), for the full year. Certain costs incurred during 2006 had a particularly strong impact on earnings during the fourth quarter, and were related mainly to provisions for pensions and divestments costs for some external ship management assignments.

#### Central Group

Group-wide <i>SEK M</i>	October - December		January - December	
	2006	2005	2006	2005
Net revenue	53	207	243	612
Profit/loss after net financial items	-9	-6	-24	-26



## **Corporate tax**

The general situation for the Group is that taxes payable are very limited. Corporate tax, accordingly, consists mainly of estimated, deferred tax. The low level of taxes payable arises since some Group operations are conducted in countries where taxation is based on so-called tonnage tax, or similar tax structures, and amortization regulations in Sweden that provide opportunities to defer tax liability payments.

Tonnage tax has been introduced in most EU countries, and comprises a low annual fee on current tonnage, instead of a direct profit-based tax. There are currently discussions in both Sweden and Norway regarding the introduction of EU-adapted tonnage tax that could replace the current system and provide possibilities for deferred tax.

## **Financial position, investments and divestments**

The Group's cash and cash equivalents amounted to SEK 264 M at the end of the period (SEK 305 M at December 31, 2005). In addition, the Group has unutilized standby credit in the amount of SEK 400 M today.

At the end of December, the Group's shareholders' equity totaled SEK 1,085 M (corresponding to SEK 37,90 per share). Shareholders' equity was impacted during the year by dividends, repurchase of shares, exchange-rate fluctuations and the special tax charge attributable to the decision to discontinue the offshore operations in Norway. Minority interest in the year's closing shareholders' equity amounted to SEK 24 M, corresponding to SEK 0.90 per share.

Net investments during the year amounted to an expense of SEK 2 M (886) and were principally attributable to Transatlantic's share in the AHTS vessel Odin Viking (Icebreaking/Offshore division), the lengthening of Finn vessels (Transatlantic Services division), capitalized docking expenses and financial investments.

In Transatlantic Services, the forest-products transport vessels Joh Gorthon, Margit Gorthon, Alida Gorthon, Ingrid Gorthon, Acacia and bulk vessel Toftön were sold and delivered during the year. The RoRo vessel Carmen B was sold to the Spanish shipping company that bareboat chartered the vessel since 2002. The sales of these vessels generated a liquidity contribution for the Group of approximately SEK 160 M and a negative effect on earnings of approximately SEK 9 M. Five of the divested vessels have been re-chartered pending delivery of new tonnage.

	Full year	
<b>Financial position</b>		
<i>SEK M at the close of each period</i>	<b>2006</b>	<b>2005</b>
Total assets	<b>2 744</b>	2 871
Shareholders' equity	<b>1 085</b>	1 135
<i>Equity/assets ratio %</i>	<b>40%</b>	40%
Net indebtedness	<b>819</b>	878
<i>Debt/equity ratio %</i>	<b>75%</b>	77%
Closing cash and cash equivalents	<b>264</b>	296
<b>SEK per share</b>		
Shareholders' equity incl. minority interests	<b>37,90</b>	36.80

### Repurchase of shares

At year-end 2006, a total of 2,216,400 own shares had been repurchased at an average price of SEK 42 per share. As of February 21, an additional 210,780 shares had been repurchased.

### Events after the close of the reporting period

A decision was taken in February to acquire another vessel for the TransPal Line, a unit of European Services that operates scheduled traffic between Sweden and the UK. The ship was built in 1995 and is the same type of vessel as the other three majority-owned ships operated by TransPal Line. The new ship will replace chartered tonnage.

### Parent Company

The Parent Company's operations comprise Group-wide functions, expenses and central financial items.

Net sales in the Parent Company amounted to SEK 170 M (726) for full-year 2006. Net profit for the year amounted to SEK 201 M (loss: 28). Total assets at the end of the period amounted to SEK 972 M (1,315 M at December 31, 2005). At the same time, the Parent Company's shareholders' equity was SEK 727 M (722).

The Parent Company's cash and cash equivalents at the close of the period amounted to SEK 104 M (237 at December 31, 2005). In addition, there is a total unutilized standby credit today of SEK 400 M. Investments made during the period totaled SEK 15 M (9).

The Parent Company's accounts were prepared in accordance with the Swedish Financial Accounting Standards Council's recommendation RR32:05, Reporting for Legal Entities.

## **Outlook for 2007**

General conditions in the shipping market are expected to remain favorable. Group investments, particularly in the European Services division, increased volumes, a strong price structure and efforts implemented to adjust shipping capacity in the Transatlantic Services division are expected to generate significant improvement in earnings for the Industrial Shipping business area. Although the offshore market is expected to remain strong, as shown by trends early in the year, there is some uncertainty over the potential to match the record-level of earnings reported by Icebreaking/Offshore in 2006.

Overall earnings in 2007 are expected to be in line with or better than results in 2006.

## **Dividend**

The Board of Directors has proposed an increase in the ordinary dividend to shareholders of SEK 1.00 per share to SEK 2.00 per share. During the preceding year, in addition to the ordinary dividend, the company paid a special dividend of SEK 1.00 per share.

## **Financial reports 2007 and Annual General meeting**

First quarter	April 25
Annual General Meeting	April 25
Second quarter	August 22
Third quarter	October 25

Skärhamn, February 21, 2007

Rederi AB Transatlantic

(Corp. Reg. No. 556161-0113)

Board of Directors

This report is unaudited.

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### Consolidated income statement

All amounts in SEK M	Oct - Dec		Jan - Dec	
	2006	2005	2006	2005
<i>Continuing operations:</i>				
Net sales	621	628	2 252	2 334
Other operating revenue <sup>1)</sup>	0	8	3	92
Personnel costs	-97	-78	-486	-538
Other costs	-417	-477	-1 360	-1 465
Depreciation / write-downs	-36	-55	-158	-186
Operating profit/loss	71	26	251	237
Net financial items <sup>2)</sup>	-6	-21	-44	77
Profit/loss before tax	65	5	207	314
Tax on profit/loss for the period <sup>3)</sup>	-10	-12	-19	-23
PROFIT/LOSS FOR THE PERIOD FROM CONTINUING OPERATIONS <sup>4)</sup>	55	-7	188	291
<i>Discontinued operations:</i>				
Profit for the period from discontinued operations <sup>5)</sup>	-	-	-	23
PROFIT/LOSS FOR THE PERIOD	55	-7	188	314
<i>Attributable to:</i>				
Shareholders of the parent company	52	-11	183	308
Minority interests in subsidiaries	3	4	5	6
PROFIT/LOSS FOR THE PERIOD	55	-7	188	314

1) The amount includes the effect of dissolving negative goodwill due to the merger with Gorthon Lines 2005.

After the final reconciliation of the valuation conditions the dissolution of negative goodwill 2005 amounted to SEK 54 M.

In the interim reports released 2005 the amount was preliminary estimated to SEK 74 M.

2) The amounts includes for 2005 bookgains amounting SEK 146 M due to divested subsidiaries.

3) The tax expense for the period Jan - Dec includes actual tax amounting SEK 7 M ( 1 ).

4) The amount includes restructuring costs, loss from sale of vessels, with SEK -9 M ( 160 ),

5) Persist of profit from the division "Dry Cargo", which was divested during 2005.

### Net sales by area of operation

All amounts in SEK M	Oct - Dec		Jan - Dec	
	2006	2005	2006	2005
Transatlantic Services	182	184	798	806
European Services	288	195	917	754
Icebreaking/Offshore	98	42	294	162
TOTAL - BUSINESS OPERATIONS	568	421	2 009	1 722
Joint group resources	53	207	243	612
TOTAL NET SALES	621	628	2 252	2 334

***Profit/loss after financial items per business area***

All amounts in SEK M	Oct - Dec		Jan - Dec	
	2006	2005	2006	2005
Transatlantic Services	-4	-21	12	0
European Services	15	10	37	37
Icebreaking/Offshore	67	20	191	89
<b>TOTAL - BUSINESS OPERATIONS</b>	<b>78</b>	<b>9</b>	<b>240</b>	<b>126</b>
Joint group resources	-9	-6	-24	-26
<b>OPERATING PROFIT/LOSS AFTER FINANCIAL ITEMS</b>	<b>69</b>	<b>3</b>	<b>216</b>	<b>100</b>
Restructuring items	-4	2	-9	160
Dissolving negative goodwill <sup>1)</sup>	-	-	-	54
Discontinued operations <sup>2)</sup>	-	-	-	23
<b>PROFIT/LOSS BEFORE TAX</b>	<b>65</b>	<b>5</b>	<b>207</b>	<b>337</b>
<i>Attributable to:</i>				
Shareholders of the parent company	62	1	202	331
Minority interests in subsidiaries	3	4	5	6

1) The amount includes the effect of dissolving negative goodwill due to the merger with Gorthon Lines 2005.

After the final reconciliation of the valuation conditions the dissolution of negative goodwill 2005 amounted to SEK 54 M.

In the interim reports released 2005 the amount was preliminary estimated to SEK 74 M.

2) Persist of profit from the division "Dry Cargo", which was divested during 2005.

***Consolidated balance sheet***

All amounts in SEK M	Dec 31.	Dec 31.
	2006	2005
Vessels	1 904	1 994
Other tangible fixed assets	62	46
Intangible fixed assets <sup>1)</sup>	13	11
Financial assets	118	64
<b>Total fixed assets</b>	<b>2 097</b>	<b>2 115</b>
Current assets <sup>2)</sup>	647	756
<b>TOTAL ASSETS</b>	<b>2 744</b>	<b>2 871</b>
Shareholders' equity <sup>3)</sup>	1 085	1 135
Long-term liabilities <sup>4)</sup>	1 218	1 262
Current liabilities <sup>4)</sup>	441	474
<b>TOTAL SHAREHOLDERS' EQUITY, PROVISIONS AND LIABILITIES</b>	<b>2 744</b>	<b>2 871</b>
1) Amount includes goodwill of SEK 1 M ( 1 ).		
2) The amount for includes fixed assets held for sale with SEK - M ( 130 ).		
3) Minority interests are included with SEK 25 M ( 55 ).		
3) The total of the Group's long- and short-term interest-bearing liabilities amounts to SEK 1 082 M ( 1 183 ).		
Pledged assets	1 626	1 507
Contingent liabilities	-	8

### Consolidated cash-flow statement

	Oct - Dec		Jan - Dec	
All amounts in SEK M	2006	2005	2006	2005
Cash flow from current operations before changes in working capital	81	50	360	278
Changes in working capital	37	-30	-77	-2
Cash flow from current operations	118	20	283	276
Investing operations	67	622	-2	727
Financing operations	-83	-612	-234	-933
Dividend	-	-	-62	-31
Change in cash equivalents	102	30	-15	39
Cash equivalents at beginning of period	169	263	296	244
Exchange-rate difference in cash equivalents	-7	3	-17	13
CASH EQUIVALENTS AT END OF PERIOD <sup>1)</sup>	264	296	264	296

1) Cash equivalents, excluding utilized overdraft facility, of SEK 264 M ( 305 ) are included in the balance sheet among current assets. The cash-flow statement's "Cash equivalents at end of period" comprise liquid funds, including utilized overdraft facility of SEK - M ( -9 ).

### Consolidated shareholders' equity

	Oct - Dec		Jan - Dec	
All amounts in SEK M	2006	2005	2006	2005
Shareholders' equity at beginning of period	1 136	1 129	1 135	465
Dividend	-	-	-62	-31
New share issue (in conjunction with merger)	-	-	-	282
Acquisition of own shares	-50	-	-93	-
Translation differences / cash flow hedges	-21	13	-48	57
Profit/loss for the period	55	-7	188	314
Effect of acquisitions <sup>1)</sup>	-35	0	-35	48
SHAREHOLDERS' EQUITY AT END OF PERIOD <sup>2)</sup>	1 085	1 135	1 085	1 135

There are no warrants or other equity instruments in Transatlantic Group.

1) Acquisitions of further participations of associated companies 2005 entailed companies being consolidated as subsidiaries.

In 2006 outstanding shares in two dutch companies was acquired whereby the minority shares was bought out.

2) Shareholders' equity includes minority interests of SEK 25 M ( 55 ).

	Oct - Dec		Jan - Dec	
Number of shares ('000)	2006	2005	2006	2005
Number of shares at beginning of period	29 693	30 858	30 858	19 119
New share issue	-	-	-	11 739
Buy-back of shares	-1 051	-	-2 216	-
Number of shares at end of period	28 642	30 858	28 642	30 858
Average number of shares	29 036	30 858	30 137	30 858

**Data per share <sup>1)</sup>**

All amounts in SEK	Oct - Dec		Jan - Dec	
	2006	2005	2006	2005
Earnings before capital expenses (EBITDA)	3.7	2.6	13.6	19.3
Earnings before interest expenses (EBIT)	2.6	1.0	8.9	13.4
Profit after current tax	2.0	0.1	6.7	10.1
Profit after full tax	1.9	-0.2	6.2	9.4
Shareholders' equity at end of period	37.9	36.8	37.9	36.8
Operating cash flow	3.6	1.9	12.4	9.7
Total cash flow	3.5	1.0	-0.5	1.3

1) The calculation excludes effects on profit/loss due to discontinued operations.

**Key data <sup>1)</sup>**

		Oct - Dec		Jan - Dec	
		2006	2005	2006	2005
Earnings before capital expenses (EBITDA)	SEK M	107	81	409	595
Earnings before interest expenses (EBIT)	SEK M	76	30	268	414
Shareholders' equity	SEK M	1 085	1 135	1 085	1 135
Net interestbearing debts <sup>2)</sup>	SEK M	819	878	819	878
Operating cash flow <sup>3)</sup>	SEK M	104	60	374	300
Total cash flow	SEK M	102	30	-15	39
Return on capital employed <sup>4)</sup>	%	13.7	5.1	12.0	15.6
Return on shareholders' equity <sup>4)</sup>	%	19.7	-0.2	17.0	27.4
Interest-coverage ratio <sup>4)</sup>	TIMES	9.8	3.2	7.0	7.1
Equity/assets ratio	%	39.5	39.5	39.5	39.5
Debt/equity ratio	%	75.4	77.0	75.4	77.0
Profit margin <sup>4)</sup>	%	10.5	0.7	9.2	11.4

1) The calculation excludes effects on profit/loss due to discontinued operations.

2) Interestbearing debts deducted with cash and bank balances.

3) Operating cash flow = Profit before tax adjusted for capital gains/losses, depreciation according to plan and write-downs.

4) The calculation does not include the dissolution of negative goodwill in conjunction with the merger.

This interim report has been prepared in accordance with IAS 34, Interim Financial Reporting, and RR 31 Consolidated Interim Financial Reporting. The accounting policies that have been applied are in agreement with the accounting policies that were used in the preparation of the group's latest annual report.

Icebreaking/Offshore (Trans Viking Icebreaking & Offshore) is reported in accordance with the proportional method.