

*Press release, October 26, 2005  
from Rederi AB Transatlantic (publ)*

**INTERIM REPORT**  
**JANUARY – SEPTEMBER 2005**

***Continued improvement in earnings***

- *The Group reported strong earnings also in the third quarter, largely due to a continued positive trend in the offshore market.*
- *Consolidated earnings before tax for the third quarter amounted to SEK 32 M (33). For comparable units, earnings improved by SEK 16 M to SEK 32 M (16).*
- *Transatlantic operations were negatively affected by the Finnish labor market conflict and by lower newsprint volumes during the third quarter.*
- *European Services developed favorably.*
- ***Results for the period January – September 2005:***

*(pro forma for preceding year in parentheses)*

*Net revenue: SEK 1,855 M (2,010)*

*Operating profit: SEK 118 M (71)*

*Profit before tax: SEK 352 M (72); Earnings per share: SEK 11.40 (2.30)*

*Profit after current tax: SEK 352 M (72); Earnings per share: SEK 11.40 (2.30)*

*Profit after full tax: SEK 341 M (50); Earnings per share: SEK 11.10 (1.60)*

*On September 30, 2005, shareholders' equity per share amounted to SEK 37.20 (24.80 pro forma at end of 2004).*

*The equity/assets ratio at the end of the period was 35% (26% at December 31, 2004).*

- ***Full-year profit for 2005, excluding capital gains/losses and IFRS effects, is expected to improve considerably compared with the pro forma result for the preceding year.***

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

Rederi AB Transatlantic was formed at the beginning of 2005 as a result of the merger of B&N Nordsjöfrakt AB and Gorthon Lines AB.

Transatlantic conducts shipping operations, focused on industrial shipping, in an organization that, after the divestment of the Dry Cargo operation, comprises three divisions: Transatlantic Services, European Services and Icebreaking/Offshore. Transatlantic and European Services specialize in contract shipping, primarily for the forest products and steel industries. The operations of the Icebreaking/Offshore division are based on combination vessels on long-term contracts and guaranteed income from 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 the company's shareholders. The goal is a return of 12% on shareholders' equity and an equity/assets ratio that does not fall below 30%.

Transatlantic's Board of Directors has established the Group's strategy for the next few years. In particular, this emphasizes growth and sustainable profitability within the framework of the organization that the Group now has after the divestment of the dry cargo operations. Growth will be achieved both organically and through acquisitions. The Group is also very open toward 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 that the Group's tonnage requirements will partly be resolved through charter contracts and by external investors becoming wholly or partly involved in the fleet operated by the Group.

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

## **General developments during the third quarter**

The period was characterized by continued strength in the shipping economy, but developments in certain segments were affected negatively by a seasonal decline in demand for tonnage.

- The Transatlantic Services division was affected by the labor market conflict in the Finnish forest industry and a decline in newsprint volumes from Canada. Earnings were therefore lower than in the preceding year.

- In the European Services division, scheduled services performed slightly less favorably than in the preceding year, while bulk operations and system traffic for forest products generated higher earnings than in the year-earlier period.  
The division's earnings remained unchanged compared with the preceding year.
- Within Icebreaking/Offshore, demand for tonnage and deployment of the division's vessels were favorable during the period.  
Earnings were considerably higher than in the preceding year.
- Continued high costs for bunker oil and rising USD rates had an adverse effect on the Group's earnings.

The Group's operating profit for the third quarter amounted to SEK 30 M (33). The figure for the preceding year includes SEK 17 M pertaining to the Dry Cargo division, which was divested during the second quarter of 2005.

### **Consolidated earnings**

The Group's net revenue for the first nine months of the year declined compared with the year-earlier period due to such factors as the divestment of the Dry Cargo division and the adverse effect of the lockout and strike situation in Finland on the Transatlantic Services division's operations. Consolidated net revenue totaled SEK 1,855 M (2,010)

Profit before capital costs ("EBITDA") for the period January-September amounted to SEK 534 M (253) and the Group's pretax profit amounted to SEK 352 M (72). Profit was positively affected by restructuring items in a net amount of SEK 158 M (0) and by the reversal of negative goodwill (in accordance with IFRS) in an amount of SEK 74 M in conjunction with the merger of B&N and Gorthon Lines.

Earnings per share after current tax amounted to SEK 11.40 (2.30).

Financial results for the third quarter are presented on the next page and in the enclosed nine-month accounts.

<b>Group</b>	<b>July - September</b>		<b>January - September</b>		<b>Full-year</b>
<i>SEK M (2004 pro forma) incl. minority shares</i>	<b>2005</b>	<b>2004</b>	<b>2005</b>	<b>2004</b>	<b>2004</b>
Net revenue	<b>617</b>	726	<b>1 855</b>	2 010	2 652
Profit before capital costs ("EBITDA")	<b>92</b>	98	<b>534</b>	253	332
Operating profit	<b>52</b>	51	<b>403</b>	119	156
Profit before tax	<b>32</b>	34	<b>352</b>	72	102
<i>Profit margin</i>	<i>5,2%</i>	<i>4,7%</i>	<i>19,0%</i>	<i>3,6%</i>	<i>3,8%</i>
Operating profit after net financial items by business area - after deduction of minority interests					
- Transatlantic Services	<b>7</b>	13	<b>21</b>	23	25
- European Services	<b>10</b>	10	<b>25</b>	27	38
- Icebreaking/Offshore	<b>19</b>	0	<b>69</b>	1	9
- Dry Cargo	<b>0</b>	17	<b>23</b>	42	56
- Group-wide	<b>-6</b>	-7	<b>-20</b>	-22	-26
- Total for the Group	<b>30</b>	33	<b>118</b>	71	102
Minority shares	<b>2</b>	1	<b>2</b>	1	0
Restructuring items, etc.	<b>0</b>	-	<b>158</b>	-	-6
Dissolution of negative goodwill on merger	-	-	<b>74</b>	-	-
Profit before tax	<b>32</b>	34	<b>352</b>	72	96
Current tax	<b>0</b>	0	<b>0</b>	0	1
Deferred tax	<b>-6</b>	-11	<b>-11</b>	-22	0
Profit after current tax	<b>32</b>	34	<b>352</b>	72	97
Profit after full tax	<b>26</b>	23	<b>341</b>	50	97
<i>SEK per share (2004 pro forma)</i>					
Operating profit after current tax	<b>1,00</b>	1,10	<b>3,80</b>	2,30	3,30
Profit after current tax	<b>1,00</b>	1,10	<b>11,40</b>	2,30	3,10
Resultat after full tax	<b>0,80</b>	0,70	<b>11,10</b>	1,60	3,10

## Transatlantic Services

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

Cargo availability for LoLo operations was favorable during the period, although a slight seasonal decline in volume affected earnings for the quarter negatively compared with earlier quarters during the year. Overall, earnings for the nine-month period were a significant improvement on the preceding year due to growing volumes being transported at improved freight rates.

The Finnish labor market conflict had an adverse impact on Transatlantic RoRo services also in the third quarter in the form of lower volumes and scheduling disruptions at the beginning of the quarter. Newsprint production cutbacks in Canada entailed reduced volumes in the division's transport systems to Europe. The effects of the decline in newsprint are assessed to be of a temporary nature. As a result, there was a decline in the unit's earnings.

Operations along the US east coast performed slightly better than expected due to continued efficiency improvements and satisfactory cargo availability.

Raised costs for bunker oil and rising USD interest rates affected earnings negatively compared with the preceding year. The division reported profit of SEK 21 M (23) for the nine-month period.

<b>Transatlantic Services</b>	April-September		January-September		Full-year
<i>SEK M (2004 pro forma)</i>	<b>2005</b>	2004	<b>2005</b>	2004	2004
Net revenue	<b>213</b>	287	<b>622</b>	713	993
Profit after net financial items	<b>7</b>	13	<b>21</b>	23	25
<i>Profit margin</i>	<b>3.3%</b>	4.5%	<b>3.4%</b>	3.2%	2.5%

## European Services

Operations, which are conducted by the subsidiary Transatlantic European Services, comprise scheduled container traffic to the UK and Germany and contract-based small bulk traffic within Europe. In terms of reporting, there is also a unit for European system traffic for forest products.

Within container traffic, cargo availability was affected by the customary decline in volume due to vacation periods in Sweden, UK and Germany. Higher capacity costs resulting from increased costs for tonnage led to slightly lower earnings for scheduled services than in the preceding year. Traffic showed a favorable trend once again during September and October and capacity utilization was favorable.

Contract-based bulk services and system traffic for forest products performed strongly during the period and reported an improvement in earnings.

Acquisitions of vessels and shares in vessels were made during the period to meet the division's tonnage requirements and reduce fixed capacity costs. Within container services, the Agila was acquired in its entirety and ownership in the sister ships Odin and Frej was increased to 66%. In the bulk vessel fleet, ownership in the Andromeda and the Capricorn was increased to 54% and 73% respectively and the Swing was acquired in its entirety.

The division's nine-month profit improved, amounting to SEK 25 M (27) after deductions for minority shares.

<b>European Services</b>	July-September		January-September		Full-year
<i>SEK M (2004 pro forma)</i>	<b>2005</b>	2004	<b>2005</b>	2004	2004
Net revenue	<b>206</b>	162	<b>554</b>	518	699
Profit after net financial items	<b>10</b>	10	<b>25</b>	27	38
<i>Profit margin</i>	<b>4.9%</b>	6.2%	<b>4.5%</b>	5.2%	5.4%

## Icebreaking/Offshore

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

The offshore market remained strong, and total deployment of the division's fleet was higher and rates better than in the preceding year. During the start of the quarter, the operation performed somewhat weaker than in the preceding quarter due to fewer relocations of oil platforms.

However, the situation changed in the period September-October, with strong increases in cargo rates.

The favorable capacity utilization led to an improvement in the division's profit for the quarter, which totaled SEK 19 M (0). Profit for the nine-month period amounted to SEK 69 M (1).

<b>Icebreaking/Offshore</b>	July-September		January-September		Full-year
<i>SEK M (division earnings)</i>	<b>2005</b>	2004	<b>2005</b>	2004	2004
Net revenue	<b>36</b>	17	<b>120</b>	50	78
Profit after net financial items	<b>19</b>	0	<b>69</b>	1	9
<i>Profit margin</i>	<b>52.8%</b>	-	<b>57.5%</b>	2.0%	11.5%

## Dry Cargo

The Dry Cargo division was divested during the second quarter and therefore does not affect the consolidated earnings for the third quarter (17).

Profit for the nine-month period in 2005 amounted to SEK 23 M (42):

<b>Dry Cargo (divested in May 2005)</b>	July-September		January-September		Full-year
<i>SEK M</i>	<b>2005</b>	2004	<b>2005</b>	2004	2004
Net sales	<b>3</b>	125	<b>157</b>	314	459
Profit after net financial items	<b>0</b>	17	<b>23</b>	42	56
<i>Profit margin</i>	-	13.6%	<b>14.6%</b>	13.4%	12.2%

## Central Group organization

The central Group organization comprises management and the Production support function, as well as central administration and financial management. This comprises ship management, which is responsible for the Group's fleet, as well as assignments for external shipowners. These are responsible for all operating costs, and Transatlantic charges 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.

<b>Central Group</b>	July-September		January-September		Full-year
<i>SEK M</i>	<b>2005</b>	2004	<b>2005</b>	2004	2004
Net revenue	<b>162</b>	135	<b>405</b>	415	423
Profit after net financial items	<b>-6</b>	-7	<b>-20</b>	-22	-26

## Restructuring items and reversal of negative goodwill

No restructuring items were booked during the third quarter.

Restructuring items booked for the first quarter mainly comprise profits from the divestment of the Dry Cargo division and net contributions from sales of vessels undertaken. The European Services Division's Dutch-based bulk vessel operations were reorganized and partly phased out, with a limited cost for this classified as a restructuring item.

There was an impact of SEK 74 M on Group earnings as a result of the new IFRS rules. Negative goodwill, which occurred in the Group as a result of the merger with Gorthon Lines in March, was immediately dissolved in the first quarter and was added to shareholders' equity over the income statement.

<b>Restructuring items and dissolution of negative goodwill</b>					
	July - September		January - September		Full-year
<i>SEK M</i>	<b>2005</b>	2004	<b>2005</b>	2004	2004
Restructuring items	-	-	<b>158</b>	-	-6
Dissolution of negative goodwill	-	-	<b>74</b>	-	-

## **Investments and divestments, financial position and IFRS**

Net investments after deductions for loan financing amounted to SEK 116 M (246) for the nine-month period and pertained to delivery of a new vessel, the Sandön (intended for Transatlantic operations) during the first quarter and acquisition of the Swing during the third quarter. The Swing was previously leased in on a long-term basis for European operations and consolidated as a financial lease and, consequently, the acquisition has only a minimum effect on the consolidated balance sheet and income statement.

During the third quarter, additional ownership were acquired in the Andromeda, Capricorn, Odin and Frej vessels through share purchases in shipping partnerships. These share acquisitions mean that a deciding influence has been gained in the shipping partnerships and that the consolidation principle was changed from the proportional method to the companies being included as subsidiaries in accordance with the acquisition method. The Group's total assets thus increased by approximately SEK 165 M, of which about SEK 52 M was attributable to minority interests.

During the nine-month period, the Forte, Largo, Marine and Corner Brook vessels were divested, as well as the Transbulk subsidiary company (Dry Cargo division). In terms of liquidity, these divestments generated a total of approximately SEK 225 M for the Group and reduced the Group's total assets by about SEK 140 M.

At the end of September, the Group's total assets amounted to SEK 3,317 M, while shareholders' equity totaled SEK 1,149 M. At the end of the period, the equity/assets ratio was 35% (26% at December 31, 2004).

The loan portfolio is currently being restructured in view of the Group's strengthened liquidity after the merger and divestments. After extra amortization payments made since the end of the first quarter, the Group's net debt has been reduced by about SEK 155 M. Restructuring is expected to be completed in 2005.

The Group's disposable liquid assets, including unutilized lines of credit, amounted to SEK 280 M at the end of the period (SEK 257 M at December 31, 2004).

At the end of September, the Group's booked shareholders' equity totaled SEK 1,149 M, corresponding to SEK 37.20 per share, an increase of SEK 385 M or SEK 12.40 per share since the end of 2004. Minority interest in shareholders' equity amounts to SEK 52 M, corresponding to SEK 1.70 per share.

This report was prepared in accordance with the IFRS rules, which apply to listed companies as of 2005. New rules and recommendations may be added during the year, which could affect the final values reported for full-year 2005. The consequences of IFRS adaptation for the Transatlantic Group are presented in a special section of the financial report on the following pages. The effect on the Group is limited and is attributable to IAS 39, which refers to reporting of financial instruments.



<b>Financial position</b>	January- September	Full-year
<i>SEK M at end of period (2004 pro forma)</i>	<b>2005</b>	2004
Total assets	<b>3,317</b>	2,957
Shareholders' equity	<b>1,149</b>	764
<i>Equity/assets ratio</i>	<b>35%</b>	26%
Net debt/equity ratio	<b>1,389</b>	1,439
<i>Debt/equity ratio</i>	<b>121%</b>	188%
Closing cash and cash equivalents	276	244
SEK per share (2004 pro forma)		
Shareholders' equity incl. minority interests	37.20	24.80

## Parent Company

The Parent Company's operations comprise the Group operations and Groupwide expenses and central financial items. Net revenues in the Parent Company amounted to SEK 134 M (217) for the quarter and SEK 545 M (702) for the nine-month period. Net loss amounted to SEK 12 M (profit: 7) for the quarter and SEK 21 M (profit: 16) for the nine-month period. Total assets at the end of the period amounted to SEK 987 M (1,395 at December 31, 2004).

At the end of the period, the Parent Company's liquid assets amounted to SEK 161 M (190 at December 31, 2004). During the nine-month period, investments of SEK 14 M (232) were made and were mainly attributable to the new building of a vessel. The Parent Company's accounts were prepared in accordance with the Swedish Financial Accounting Standards Council's r.

## Outlook for 2005

The generally favorable business environment for shipping is expected to continue for the remainder of the year and have a positive impact on the Group's development and earnings. A temporary dip in volumes for eastbound transatlantic RoRo traffic during the quarter is expected to negatively affect earnings for the Transatlantic Services division. However, this development is expected to be offset by the strong offshore market.

Excluding the effect of new IFRS rules, the divestment of the Dry Cargo division and other provisions, the Group's full-year earnings for 2005 will be a considerable improvement on fiscal year 2004.

Financial reports 2005/2006:

Year-end 2005; February 21, 2006

First quarter 2006: April 26, 2006 and Annual Meeting

Second quarter 2006: August 17, 2006

Third quarter 2006: October 26, 2006

Skärhamn, October 26, 2005

Rederi AB Transatlantic

*(Corp. Reg. No .556161-0113)*

Board of Directors

For further information, please contact the President Håkan Larsson or the Executive Vice  
President Hans Carlweitz on tel. +46 304 67 47 00

The Financial Report for the period January - June 2005, are presented in two separate sections. One with comparative data pro forma, and one with comparative data for the previous B&N Nordsjöfarkt Group (which is required according to IFRS standards).

## PRO FORMA COMPARATIVE DATA FOR THE TRANSATLANTIC GROUP

The merged group hereby presents its consolidated accounts from January 1, 2005.

It should be noted that the pro forma comparative data below for the preceding year do not necessarily reflect the result or the financial position that Gorthon Lines and B&N would have had together if they had conducted their operations as a single unit in 2004.

### Consolidated income statement

All amounts in SEK M	July - September		Januari -September		Whole Year
	2005	2004	2005	2004	2004
Net sales	617	726	1 855	2 010	2 652
Other operating revenue 1)	0	3	256	10	8
Personnel costs	-158	-148	-462	-450	-586
Other expenses	-367	-483	-1 115	-1 318	-1 742
Income from participation in associated companies	0	0	0	1	0
Depreciation / write-downs	-40	-47	-131	-134	-176
Operating profit/loss	52	51	403	119	156
Net financial items	-20	-17	-51	-47	-60
Profit/loss before tax	32	34	352	72	96
Tax on profit/loss for the period	-6	-11	-11	-22	1
Profit/loss for the period	26	23	341	50	97

1) Amount for January - September 2005 includes the effect of the merger (dissolving negative goodwill) of SEK 74 M (-), and capital gains from the sale of vessels and subsidiary totaling SEK 169 M.

### Net sales by business area

All amounts in SEK M	July - September		Januari -September		Whole Year
	2005	2004	2005	2004	2004
Transatlantic Services	213	287	622	713	993
European Services	206	162	554	518	699
Icebreaking/Offshore	36	17	120	50	78
Dry Cargo	0	125	154	314	459
TOTAL - BUSINESS OPERATIONS	455	591	1 450	1 595	2 229
Joint Group resources	162	135	405	415	423
TOTAL NET SALES	617	726	1 855	2 010	2 652

### Profit/loss after financial items per business area - minority share of profit/loss excluded

All amounts in SEK M	July - September		Januari -September		Whole Year
	2005	2004	2005	2004	2004
Transatlantic Services	7	13	21	23	25
European Services	10	10	25	27	38
Icebreaking/Offshore	19	0	69	1	9
Dry Cargo	0	17	23	42	56
TOTAL - BUSINESS OPERATIONS	36	40	138	93	128
Joint Group resources	-6	-7	-20	-22	-26
OPERATING PROFIT AFTER FINANCIAL ITEMS	30	33	118	71	102
Minority interests	2	1	2	1	0
Restructuring items	0	-	158	-	-6
Dissolving negative goodwill	-	-	74	-	-
PROFIT BEFORE TAX	32	34	352	72	96

### Consolidated balance sheet

All amounts in SEK M	Sep 30. 2005	Dec 31. 2004
Fixed assets <sup>1)</sup>	2 777	2 413
Current assets	540	544
<b>TOTAL ASSETS <sup>2)</sup></b>	<b>3 317</b>	<b>2 957</b>
Shareholders' equity	1 149	764
Long-term liabilities <sup>3)</sup>	1 717	1 789
Current liabilities <sup>3)</sup>	451	404
<b>TOTAL SHAREHOLDERS' EQUITY, PROVISIONS AND LIABILITIES</b>	<b>3 317</b>	<b>2 957</b>

1) Amount includes goodwill of SEK 1 M ( 1 ).

2) Balance has during year been reduced by sales of subsidiary by 165 M ( - ).

3) The total of the Group's long- and short-term interest-bearing liabilities amounts to SEK 1,665 M ( 1,683 ).

### Consolidated cash-flow statement in brief

All amounts in SEK M	July - September		Januari -September		Whole Year
	2005	2004	2005	2004	2004
Cash flow from operating activities	97	80	256	145	145
Investing activities	-80	-34	110	-247	-257
Financing activities	-122	-9	-321	101	63
Dividend	-	-	-31	-18	-18
Change in liquid funds	105	7	14	-19	-67
<b>LIQUID FUNDS AT END OF PERIOD <sup>1)</sup></b>	<b>263</b>	<b>275</b>	<b>263</b>	<b>275</b>	<b>239</b>

1) Liquid funds, excluding utilized overdraft facility of SEK 276 M (275 M per 30 September 2004 and 244 M per

31 December 2004), are included in the balance sheet among current assets. The cash-flow statement's

"liquid funds at at end of period" comprise liquid funds, including utilized overdraft facility of SEK -13 M

(-14 M per 30 September 2004 and -5 M per 31 December 2004).

### Data per share

All amounts in SEK	July - September		Januari -September		Whole Year
	2005	2004	2005	2004	2004
Earnings before capital expenses (EBITDA)	3.0	3.2	17.3	8.2	10.8
Earnings before interest expenses (EBIT)	1.7	1.7	13.1	4.0	5.3
Profit after current tax	1.0	1.1	11.4	2.3	3.1
Profit after full tax	0.8	0.7	11.0	1.6	3.2
Shareholders' equity at end of period	37.2	n/a	37.2	n/a	24.8
Cash flow from operating activities	2.4	1.6	7.8	6.7	10.7
Total cash flow	-3.4	1.2	0.5	-0.6	-2.2
Number of shares ('000) at end of period	30 858	30 858	30 858	30 858	30 858

**Key data**

		July - September		Januari - September		Whole Year
		2005	2004	2005	2004	2004
Earnings before capital expenses (EBITDA)	SEK M	92	98	534	253	332
Earnings before interest expenses (EBIT)	SEK M	53	52	404	123	163
Shareholders' equity	SEK M	1 149	n/a	1 149	n/a	764
Net interestbearing debts <sup>1)</sup>	SEK M	1 389	n/a	1 389	n/a	1 439
Operating cash flow <sup>2, 3)</sup>	SEK M	73	48	240	206	324
Total cash flow	SEK M	-105	37	14	-19	-67
Return on capital employed <sup>3)</sup>	%	7.5	n/a	20.4	n/a	7.4
Return on shareholders' equity <sup>3)</sup>	%	9.5	n/a	44.5	n/a	12.7
Interest-coverage ratio	multiple	5.0	n/a	8.2	n/a	5.1
Equity/assets ratio	%	34.6	n/a	34.6	n/a	26
Debt/equity ratio	%	120.0	n/a	120.0	n/a	188.0
Profit margin <sup>3)</sup>	%	5.2	4.7	15.0	3.6	3.7

1) Interestbearing debts deducted with cash and bank balances.

2) Operating cash flow = Earnings after net financial items adjusted for capital gains/losses, depreciation according to plan and write-downs.

3) 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.*

*Special shipping (B&N Viking Icebreaking & Offshore ) is reported in accordance with the proportional method.*

*The new accounting principles to be applied from 2005 are described separately in the 2004 Annual Report.*

*This pro forma report has not been audited.*      TRANSATLANTIC

The information below has been prepared in accordance with the IFRS standards that apply as of January 1, 2005 for listed companies. The comparative data have also been recalculated in accordance with these standards, except for IAS 39, which is applied from January 1, 2005. Since new standards and recommendations may be added during the year, the figures for 2005 are to be regarded as preliminary until the 2005 Annual Report is published. The comparative data is reflecting the previous B&N Group. There are tables on page 10 that present the impact of the introduction of IFRS on shareholders' equity and earnings. In addition, more information is included in Note 32 of the B&N Group's Annual Report regarding the effects of the introduction of IFRS.

### Consolidated income statement

All amounts in SEK M	July - September		Januari -September		Whole Year
	2005	2004	2005	2004	2004
Net sales	617	535	1 855	1 555	1 995
Other operating revenue <sup>1)</sup>	0	3	256	10	8
Personnel costs	-158	-119	-462	-359	-479
Other costs	-367	-365	-1 115	-1066	-1 338
Income from participations in associated companies	0	4	0	6	5
Depreciation / write-downs	-40	-22	-131	-65	-85
Operating profit/loss	52	36	403	81	106
Net financial items	-20	-12	-51	-33	-42
Profit/loss before tax	32	24	352	48	64
Tax on profit/loss for the period <sup>2)</sup>	-6	-7	-11	-14	-7
PROFIT/LOSS FOR THE PERIOD	26	17	341	34	57
<i>Profit/loss for the period attributable to:</i>					
Parent Company's shareholders	24	16	339	33	56
Minority interests	2	1	2	1	1
PROFIT/LOSS FOR THE PERIOD	26	17	341	34	57

1) "Other operating revenue" includes for the year SEK 74 M as an effect of the merger, and capital gains from the sale of vessels and subsidiary totaling SEK 169 M.

2) The tax expense for the period comprises deferred tax for the period.

### Net sales by area of operation

All amounts in SEK M	July - September		Januari -September		Whole Year
	2005	2004	2005	2004	2004
Transatlantic Services	213	110	622	298	391
European Services	206	148	554	478	644
Icebreaking/Offshore	36	17	120	50	78
Dry cargo	0	125	154	314	459
TOTAL - BUSINESS OPERATIONS	455	400	1 450	1 140	1 572
Joint group resources	162	135	405	415	423
TOTAL NET SALES	617	535	1 855	1 555	1 995

### Profit/loss after financial items per business area - minority share of profit/loss excluded

All amounts in SEK M	July - September		Januari -September		Whole Year
	2005	2004	2005	2004	2004
Transatlantic Services <sup>1)</sup>	7	9	21	14	13
European Services	10	4	25	12	18
Icebreaking/Offshore	19	0	69	1	9
Dry Cargo	0	17	23	42	56
TOTAL - BUSINESS OPERATIONS	36	30	138	69	96
Joint group resources	-6	-7	-20	-22	-27
OPERATING PROFIT AFTER FINANCIAL ITEMS	30	23	118	47	69
Minority interests	2	1	2	1	1
Restructuring items	0	-	158	-	-6
Dissolving negative goodwill	-	-	74	-	-
PROFIT BEFORE TAX	32	24	352	48	64

1) Includes participation in earnings after tax from Gorthon Lines of SEK 4 M for July-Sep 2004, SEK 6 M for Jan-Sep and SEK 4 M from Jan-Dec 2004.

### Consolidated balance sheet

All amounts in SEK M	Sep 30, 2005	Dec 31, 2004
Vessels	2 702	1 205
Other tangible fixed assets	61	92
Intangible fixed assets <sup>1)</sup>	11	5
Financial assets	3	192
Total fixed assets	2 777	1 494
Current assets	540	324
<b>TOTAL ASSETS<sup>2)</sup></b>	<b>3 317</b>	<b>1 818</b>
Shareholders' equity	1 149	445
Long-term liabilities <sup>3)</sup>	1 717	1 011
Current liabilities <sup>3)</sup>	451	362
<b>TOTAL SHAREHOLDERS' EQUITY, PROVISIONS AND LIABILITIES</b>	<b>3 317</b>	<b>1 818</b>

1) Amount includes goodwill of SEK 1 M ( 1 ).

2) Balance has during year been reduced by sales of subsidiary by 165 M ( - ).

3) The total of the Group's long- and short-term interest-bearing liabilities amounts to SEK 1,665 M ( 1,061 ).

Pledged assets	1 741	1 849
Contingent liabilities	10	8

### Consolidated cash-flow statement

All amounts in SEK M	July - September 2005 2004		Januari -September 2005 2004		Whole Year 2004
Cash flow from operating activities before change in working capital	65	31	228	102	127
Change in working capital	32	13	28	-33	-31
Cash flow from operating activities	97	44	256	69	96
Investing activities	-80	-9	249	3	-24
Financing activities	-122	-20	-321	-54	-58
Dividend	-	-	-31	-	-
Change in liquid funds	-105	15	153	18	14
Liquid funds at beginning of period	366	92	100	88	88
Exchange-rate difference in liquid funds	2	-1	10	0	-2
<b>LIQUID FUNDS AT END OF PERIOD<sup>1)</sup></b>	<b>263</b>	<b>106</b>	<b>263</b>	<b>106</b>	<b>100</b>

1) Liquid funds, excluding utilized overdraft facility of SEK 276 M September 30.2005, SEK 120 M September 30.2004 and SEK 101 M December 31.2004,

are included in the consolidated balance sheet among current assets. The cash-flow statement's "liquid funds at end of period" comprise

liquid funds including utilized overdraft facility of SEK -13 M September 30.2005, SEK - 14 M September 30.2004 and SEK -5 M December 31.2004.

### Consolidated shareholders' equity

All amounts in SEK M	July - September 2005 2004		Januari -September 2005 2004		Whole Year 2004
Shareholders' equity at beginning of period	1 079	425	445	393	393
Effect of change in accounting principle IFRS 39	-	-	19	-	-
Dividend	-	-	-31	-	-
New share issue (in conjunction with merger)	-	-	282	-	-
Translation differences / other changes	44	1	93	14	-5
Result for the period	26	15	341	34	57
<b>SHAREHOLDERS' EQUITY AT END OF PERIOD<sup>1)</sup></b>	<b>1 149</b>	<b>441</b>	<b>1 149</b>	<b>441</b>	<b>445</b>

There are no warrants or other equity instruments in B&N.

1) Shareholders' equity includes minority interests of SEK 52 M ( 1 )

### Data per share

	July - September		Januari -September		Whole Year
All amounts in SEK	2005	2004	2005	2004	2004
Earnings before capital expenses (EBITDA)	3.0	2.9	17.3	7.6	9.9
earnings before interest expenses (EBIT)	1.7	1.8	13.1	4.3	5.7
Profit after current tax	1.0	1.0	11.4	2.4	3.3
Profit after full tax	0.8	0.8	11.0	1.8	2.8
Shareholders' equity at end of period	37.2	23.1	37.2	23.1	23.3
Operating cash flow	2.4	2.4	7.8	6.0	8.0
Total cash flow	-3.4	0.8	5.0	1.0	1.0
Number of shares ('000) at end of period	30 858	19 119	30 858	19 119	19 119
Average number of shares ('000)	30 858	19 119	30 858	18 908	18 967

### Key data

		July - September		Januari -September		Whole Year
		2005	2004	2005	2004	2004
Earnings before capital expenses (EBITDA)	SEK M	92	55	534	144	191
Earnings before interest expenses (EBIT)	SEK M	53	35	404	82	108
Shareholders' equity	SEK M	1 149	441	1 149	441	445
Net interestbearing debts <sup>1)</sup>	SEK M	1 389	1 049	1 389	1 049	956
Operating cash flow <sup>2)</sup>	SEK M	73	45	240	113	149
Total cash flow	SEK M	-105	15	153	18	14
Return on capital employed <sup>3)</sup>	%	7.5	8.6	20.4	7.0	6.5
Return on shareholders' equity <sup>3)</sup>	%	9.5	13.5	44.5	10.8	12.5
Interest-coverage ratio	TIMES	5.0	4.8	8.2	4.3	4.3
Equity/assets ratio	%	34.6	22.1	34.6	22.1	24.5
Debt/equity ratio	%	120.0	240.0	120.0	240.0	215.0
Profit margin <sup>3)</sup>	%	5.2	4.5	15.0	3.1	3.1

1) Interestbearing debts deducted with cash and bank balances. 2) Operating cash flow = Earnings after net financial items adjusted for capital gains/losses, depreciation according to plan and write-downs. 3) The calculation does not include the dissolution of negative goodwill in conjunction with the merger.

### Effect of transition to IFRS

	July - September	Januari -September	Whole Year	
All amounts in SEK M	2004	2004	2004	
<i>EFFECT ON CONSOLIDATED EARNINGS</i>				
Earnings according to earlier principle	13	30	53	
Consequence of adaptation to IFRS	1	3	4	
Earnings in accordance with IFRS	14	33	57	
All amounts in SEK M	Jan 1. 2005	Dec 31. 2004	Sep 30. 2004	Jan 1. 2004
<i>EFFECT ON CONSOLIDATED SHAREHOLDERS' EQUITY</i>				
Shareholders' equity in accordance with earlier principle	445	444	440	390
Consequence of adaptation to IFRS <sup>1)</sup>	19	1	1	3
Shareholders' equity in accordance with IFRS	464	445	441	393

1) This change is mainly attributable to IAS 39.

This interim report has been prepared in accordance with IAS 34.

Special shipping (B&N Viking Icebreaking & Offshore ) is reported in accordance with the proportional method.

The new accounting principles to be applied from 2005 are described separately in the 2004 Annual Report.

This report has not been audited.

**TRANSATLANTIC**