



Broström is one of the leading logistics companies for the oil and chemical industry, focusing on industrial product and chemical tanker shipping and marine services. Broström is based all over the world and operates within two areas: Shipping and Marine & Logistics Services. Broström's head office is located in Göteborg, Sweden.

Press Release

PRELIMINARY REPORT 2003

Broström AB (publ) – Reg No 556005-1467

- Profit for the year MSEK 238 (139)
 - Net sales MSEK 3,267 (2,587)
 - Net profit MSEK 179 (95)
 - Profit per share SEK 6.14 (3.29)
 - Return on capital employed 7.5 per cent (7.2)
- Profit for Q4 MSEK 22 (29)
 - Net sales MSEK 771 (661)
 - Net profit MSEK 23 (18)
 - Profit per share SEK 0.80 (0.62)
- The beginning of 2004 has been characterised by a very strong freight market
- Disposable liquidity amounted to MSEK 801 (791)
- Proposed dividend SEK 4.50 per share including an extra dividend of SEK 1.50 per share
- Bro Nadja, Bro Nelly and Bro Nora sold and delivered in December
- The increased requirements for quality, the focus in the oil industry on the “just-in-time” concept which has resulted in reduced oil stocks and the anticipated improvement in the world economy should all contribute to further positive development for Broström.

MSEK	12 months		Fourth quarter	
	2003	2002	2003	2002
Net sales	3,267.3	2,587.1	770.6	660.5
Operating profit (EBIT)	355.1	324.7	55.9	64.9
Profit after financial items	238.1	139.3	22.1	28.6
Net profit	178.8	95.2	23.4	18.2
Investments	409.3	936.5	149.9	185.3
Cash flow from current activities	343.9	413.7	20.3	64.6
Disposable liquidity	800.7	791.2		
Return on capital employed, %	7.5	7.2		
Adjusted equity, %	31.9	30.9		
Profit before tax per share, SEK	8.17	4.82	0.74	0.98
Net profit per share, SEK	6.14	3.29	0.80	0.62
Net profit per share after dilution, SEK	6.08	3.28	0.74	0.62
Cash flow from current activities per share, SEK	11.81	14.31	0.68	2.21
Proposed dividend by the Board, SEK	4.50	3.00		
Average number of shares	29,119,946	28,901,613	29,239,988	29,027,988

ACTIVITIES

Shipping

Market overview

The beginning of 2003 was characterised by a very strong freight market. The unusually cold weather in the northern hemisphere caused an increase in demand for oil products. The strikes in Venezuela, the heavy ice-conditions in the Baltic and a number of Japanese nuclear power plants closed for maintenance were further factors contributing to the increased transport requirements during the period.

The market situation was relatively quiet for the second and third quarters. A number of refineries in the world were also closed for planned maintenance.

The fourth quarter started with a wait-and-see attitude. In Asia the freight market was adversely affected by a number of refineries in China and South Korea being closed for maintenance. At the same time the weather in the USA was fairly mild and similar conditions had a negative impact on the European service. Furthermore, the transports via Archangel suffered as a consequence of decreased export of clean oil products.

The market did not really recover until the end of December. At this time the refineries in China and South Korea reopened and snow storms and cold weather hit the north-eastern states of the USA. On 21 October the EU's ban on transportation of heavy oil products in single-hulled vessels came into force which caused an increase in the demand for quality tonnage. In Europe the increased export of Russian oil from the Baltic area also contributed to the market recovery.

The oil stocks have continued to be on historically low levels resulting in increased requirements for efficient and reliable transport.

Development for Broström

At the beginning of the year Broström was able to benefit from the strong freight market. Thanks to the company strategy of having a high proportion of contracts of affreightment it managed to maintain a relatively good utilisation of the fleet even during the quiet second and third quarter.

The fourth quarter started with a weaker freight market within Broström's market segments. Not until the latter part of December was a recovery noted and then mainly for the larger Europe based tonnage. After the year-end the market in Europe and the Atlantic has been very strong. The negotiations started before the year-end were finalised at acceptable freight levels even considering the weakening US dollar to the Swedish krona. New contracts were also added for the smaller market segments.

The experience gained from last year's ice-conditions combined with the EU's regulations for single-hulled vessels meant a clear competitive edge for a quality operator like Broström. The new regulations have among other things led to Broström having since 2003 more vessels than previously trading with fuel oil transportation.

During the fourth quarter the Asian service was negatively impacted by decreased activity caused by refinery maintenance.

Increased requirements for safe and reliable transport

The new EU regulations that came into force on 21 October will accelerate the phasing-out of single-hulled tankers and an immediate ban on the transportation of heavy oil in vessels with single hulls. The regulations apply to all vessels trading within the EU and also to all tonnage operating under the EU-flag anywhere in the world.

The increased requirements for safe and reliable transport are completely in line with Broström's long-term strategy. The major investments in new vessels, the focus on a quality and consolidated organisation mean that Broström can offer its customers competitive logistic solutions characterised by reliability and flexibility.

Expansion of the fleet

The expansion of the fleet continued during the fourth quarter and in December Broström took delivery of BRO GRATITUDE (7,600 dwt). This is the seventh vessel in a series of eight ordered at a Dutch shipyard. The vessel is serving under Broström's contracts of affreightment for its European service.

Early in 2003 Broström took delivery of a further two vessels in the same series.

In December Broström ordered four new product tankers each of 14,500 dwt. The vessels will

replace four old vessels in the same segment and thereby further strengthen Broström's position in this segment.

In line with its policy of concentrating on the transport of refined oil products in the European service Broström sold three small chemical tankers in December.

Tonnage tax

In accordance with the European Union's shipping policy France has during the year introduced a tonnage tax which has been formally approved by the EU. A statement about how this has been considered in this report will be found on page 7.

In Sweden the subject of tonnage tax has taken a further step with a proposal being submitted in Parliament. The proposal is signed by parties representing a majority of the Swedish Parliament.

In the proposal it is stated that as Sweden is now one of the few shipping nation in the EU that has not yet introduced a tonnage tax and this is a question of competition which must be solved as a matter of urgency. The Ministry of Finance informed the Parliament on 11 February 2004 that a commission will be set up.

Net sales and results

Net sales for Shipping for the whole year amounted to MSEK 2,437.6 (1,708.9). The increase is mainly due to changes to the consolidation methods for Iver Ships Ltd. Disregarding this, the increase was 7 per cent.

The operating profit was MSEK 374.0 (327.4).

As earnings are mainly in US dollars while costs to a great extent are paid in European currencies the result particularly for the European business was negatively affected by the weak exchange rate of the US dollar. Despite this the profit for Shipping was positive.

Net sales and results Q4 2003

Net sales for Shipping for the fourth quarter amounted to MSEK 558.9 (415.6). The increase is again mainly due to changes to the consolidation methods for Iver Ships Ltd. Disregarding this, the increase was 7 per cent.

The operating profit was MSEK 62.8 (64.4).

The result was negatively affected both by a continued weakening of the US dollar and by a weak freight market during most of the period. The capital gain on the sale of the three chemical tankers amounted to MSEK 29.9. Additionally there were the liquidation costs of MSEK 3.0 which is why the sales net has positively affected the result by MSEK 26.9.

Shipping

MSEK	12 months		Fourth quarter	
	2003	2002	2003	2002
Net sales	2,437.6	1,708.9	558.9	415.6
Extraordinary items	-	- 0.6	0.1	- 0.5
Operating profit/loss	374.0	327.4	62.8	64.4
Average number of employees	865	684		

Marine & Logistics Services

Market overview

The recovery in demand for petrochemical products during the year also led to an increased demand for transport of bulk goods.

The previously noted reduction in business travel has continued.

The further strengthening of the Swedish krona has reduced the Swedish export of traditional products and this has caused lower activity in many Swedish ports.

Development for Broström

Nordic Bulkera has during the year succeeded in securing a considerable number of new contracts of affreightment for the transport and handling of bulk goods. The company's concentration on transport solutions for products needing special care has continued to be positive and enabled it to produce a good profit for 2003.

Due to the poor market situation Broströms Resebyrå has contracted in the business travel segment. The stable development of marine travel has however continued.

During the fourth quarter Broströms Resebyrå opened a new office adjacent to the growing industry and technology centre of Lindholmen in Göteborg. This will enable it to strengthen its position in the West Swedish business travel

market. Earlier in the year the company expanded through the acquisition of the business travel agency Peregre.

The ports within the Broström Ship Agency Network which are focused on shipping for the Swedish base industries the weak state of the market has meant continued low volumes. In the other ports focusing mainly on oil the activity has been good.

Net sales and results

Net sales for Marine & Logistics Services for the whole year amounted to MSEK 829.1 (877.4). Ignoring the impact of the liquidation of the oil business the increase was 5 per cent.

The operating profit was MSEK 13.5 (23.3).

Both net sales and profit are acceptable considering the prevailing market situation.

Net sales and results Q4 2003

Net sales for the fourth quarter were MSEK 211.4 (245.1). Ignoring the impact of the liquidated oil business the increase was 3 per cent compared with last year.

The operating profit during the quarter was MSEK 2.1 (6.6).

Marine & Logistics Services

	12 months		Fourth quarter	
MSEK	2003	2002	2003	2002
Net sales	829.1	877.4	211.4	245.1
Extraordinary items	-	- 0.3	0.3	- 0.4
Operating profit/loss	13.5	23.3	2.1	6.6
Average number of employees	154	125		

MAJOR DEVELOPMENTS AFTER THE YEAR-END

No major events to report.

EXCHANGE RATE FLUCTUATIONS

Broström is affected by exchange rate fluctuations primarily of the USD rate to the EUR and SEK. More information about this can be found in our Annual Report.

GROUP FINANCIAL RESULTS

Net sales of the Group for the whole year recorded MSEK 3,267.3 (2,587.1).

The growth, measured in net sales, was 27 per cent (-3 per cent). Measured in average over the last ten years the growth is 13 per cent per year.

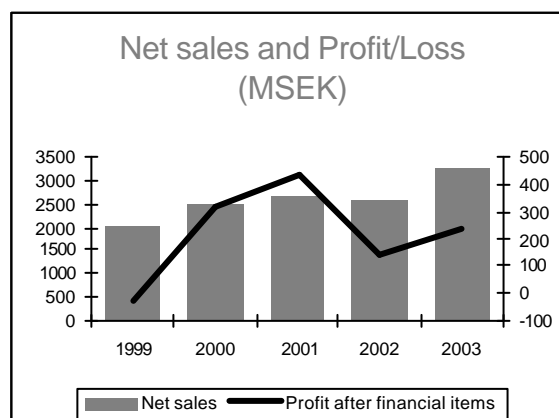
The profit from associated companies was MSEK 6.6 (26.1) including exchange rate differences of MSEK -4.6 (-9.5). The reason for the big difference between the years is that Iver Ships Ltd in 2002 was recorded as an associated company with MSEK 24.7.

The operating profit was MSEK 355.1 (324.7).

The exchange rate difference of USD to EUR and SEK had a negative impact on the net financial items of the Group of MSEK -36.8 (-83.0). The net interest income was MSEK -80.2 (-102.5). The improvement is partly due to the drop in the USD-Libor interest rate, which during the year averaged 1.2 per cent compared to 1.9 per cent last year and partly due to the lower USD exchange rate. Net financial items were MSEK -117.0 (-185.4), which resulted in a profit after financial items of MSEK 238.1 (139.3).

In the results for the year a capital gain on sale of three vessels is included with MSEK 29.9 (-25.7).

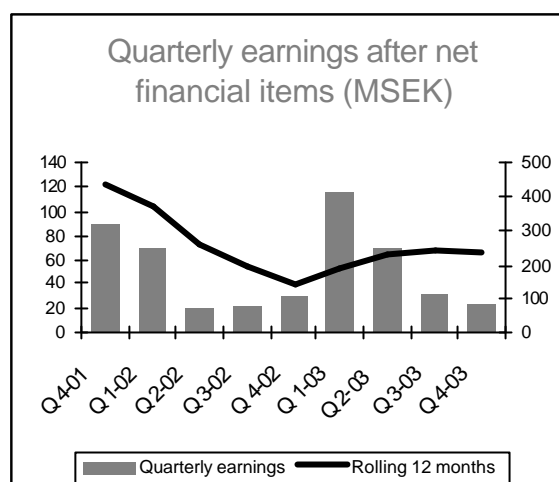
The return on capital employed was 7.5 per cent (7.2). The average of the last ten years' return on capital employed is 11.8 per cent.



The tax expenses during the year were MSEK 47.9 (42.4), which corresponds to 20.1 per cent (30.4) of the profit before tax. Paid tax amounts to MSEK 0.6 (7.9).

During the fourth quarter net sales were MSEK 770.6 (660.5). The operating profit during the same period was MSEK 55.9 (64.9) while profit after financial items was MSEK 22.1 (28.6).

The result for the quarter includes a capital gain on sale of vessels of MSEK 29.9 (-10.4) and exchange rate differences of MSEK -16.9 (-15.7).



Divided into operational areas

MSEK	12 months		Fourth quarter	
	2003	2002	2003	2002
<i>Net sales</i>				
Shipping	2,437.6	1,708.9	558.9	415.6
M & L Services	829.1	877.4	211.4	245.1
Other	0.6	0.8	0.3	-0.2
	3,267.3	2,587.1	770.6	660.5
<i>Extraordinary items</i>				
Shipping	-	-0.6	0.1	-0.5
M & L Services	-	-0.3	0.3	-0.4
Other	-	1.6	0.4	1.6
	-	0.7	0.8	0.7
<i>Adjusted operating profit</i>				
Shipping	374.0	328.0	62.7	64.9
M & L Services	13.5	23.6	1.8	7.0
Other and joint expenses for the Group	-32.4	-27.6	-9.5	-7.8
	355.1	324.0	55.0	64.1
<i>Average number of employees</i>				
Shipping	865	684		
M & L Services	154	125		
Other	23	22		
	1,042	831		

OUTLOOK

The beginning of 2004 has been characterised by a very strong freight market in Europe and the Atlantic service.

The underlying market trend with increased requirements for safe transport is in line with Broström's strategy and should contribute to an improved competitiveness and profitability for quality operators. The order books at world shipyards are historically high in Broström's tanker segments. A large number of vessels will be delivered in the next few years many of which will replace older single-hulled vessels that will have to be phased out due to new regulation and commercial requirements. This together with the uncertainty of the US dollar to the Swedish krona must be considered.

The oil industry focus is more and more on the "just-in-time" concept and minimized stock levels, which increases the demand for flexible supply of transport capacity to meet sudden changes in the balance between supply and demand.

This, together with the anticipated improvement in the world economy, should contribute to a further positive development for Broström in 2004.

INVESTMENTS AND DISINVESTMENTS

Total investments within the Group during the year amounted to MSEK 409.3 (936.5), of which MSEK 103.0 (322.4) was financial lease without

influence on the cash flow. Disinvestments amounted to MSEK 295.8 (70.5).

MSEK 366.3 (904.7) of the investments refer to acquisition of vessels. These included the newbuildings, BRO GEMINI, delivered on 4 April, BRO GENIUS, delivered on 1 July and BRO GRATITUDE, delivered on 1 December. Broström has a direct ownership in the first two of 25 per cent plus a further 25 per cent by financial lease. In the last vessel the ownership is 50 per cent.

Broström's strategic concentration on partnerships with other owners helps the fleet to expand without unduly burdening the Group's balance sheet.

New vessels 2003

Name	Built	Dwt	Ownership	Partner
BRO GEMINI	2003	7,600	25%	Thun/Dutch investors
BRO GENIUS	2003	7,600	25%	Thun/Dutch investors
BRO GRATITUDE	2003	7,600	50%	Thun

In December three small chemical tankers were sold. The sale gave a positive net profit of MSEK 26.9.

Sold vessels 2003

Name	Built	Dwt	Ownership	Partner
BRO NADJA	1996	5,750	100%	
BRO NELLY	1997	5,750	100%	
BRO NORA	1997	5,750	100%	

Including the order for four new product tankers each of 14,500 dwt Broström is currently engaged in eight newbuildings. Additional to these are three newbuildings, ordered by the partner Rigel Schiffahrts GmbH, which will be commercially included in the Broström fleet and another three newbuildings ordered by the Dutch partner Vroon, which will be commercially operated by Iver Ships.

Newbuildings

Name	Built	Dwt	Ownership	Partner
NB JLZ 503	2004	37,300	100%	
NB JLZ 504	2005	37,300	100%	
NB JLZ 506	2005	37,300	100%	
NB 343	2004	7,600	50%	Thun
NB JLZ 507	2006	14,500	100%	
NB JLZ 508	2006	14,500	100%	
NB JLZ 509	2006	14,500	100%	
NB JLZ 510	2007	14,500	100%	

Broström's updated fleet list can be found on www.brostrom.se.

CASH FLOW

Cash flow from the current activities amounted to MSEK 343.9 (413.7), which is per share SEK 11.81 (14.31).

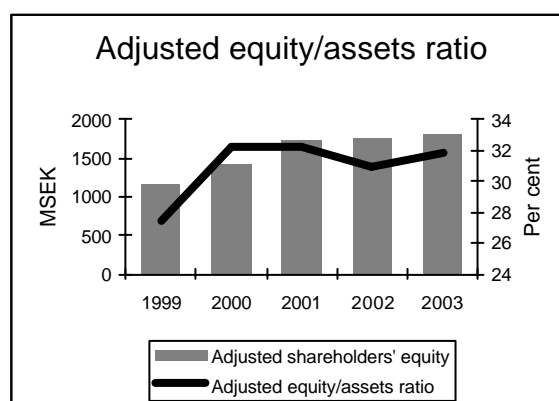
In 2003 the dividend to the shareholders totalled MSEK 87.1 (122.5), which is per share SEK 3.0 (4.25).

FINANCING AND LIQUIDITY

Disposable liquidity of the Group on 31 December 2003 amounted to MSEK 800.7 (791.2). Unutilised overdraft facilities are included and total MSEK 52.3 (52.3).

The net debt decreased during the year from MSEK 1,895.3 to MSEK 1,744.8 mainly as a consequence of the sale of three vessels.

The shareholders' equity on 31 December 2003 amounted to MSEK 1,477.0 (1,402.2) and the equity ratio was 26.6 per cent (24.9). The adjusted equity ratio was 31.9 per cent (30.9), which is above Broström's goal of 30 per cent.



Broström's financial position remains strong and will enable continued participation in possible structural changes in the market.

CONTINGENT LIABILITIES

Contingent liabilities have, since the end of last year, decreased by MSEK 212.8 and amount to MSEK 312.7 (525.5). The decrease is partly due to fluctuations in the exchange rate of the USD, the currency in which the contingent liabilities are mainly denominated and also due to the fact that earlier liabilities in associated companies are now consolidated in the balance sheet.

OPTIONS SCHEME

Broström has per 31 December 2003 a share option programme which was introduced in 2003 and offered to all current permanent employees in the Group and its subsidiaries with an ownership of more than 50 per cent.

The share option programme consists of two option series with redemption dates in September 2005 and September 2006 respectively. Every employee is entitled to 2,000 warrants. By further allocation a total of 100,000 warrants can be subscribed. The price for a warrant in series 2003/1 was SEK 3.80 and in series 2003/2 it was SEK 4.35. A warrant is redeemed for a share at the exercise price of SEK 58.40. Total number of redeemed warrants per 31 December 2003 was 548,500. The outstanding number of warrants is 100,000.

The dilution effect was 0.6 per cent on the balance sheet date.

The share option programme which was introduced in 2000 has been finalised and the dilution effect was 0.9 per cent.

STAFF

During 2003 the average number of employees was 1,042 (949). Previous year's number includes 118 temporary hired crew who as from 2003 are counted as employees.

PARENT COMPANY

The activities in the parent company Broström AB consist mainly of Group management and administration of joint activities for the Group.

The assets consist mainly of shares in subsidiaries and short-term financial investments.

MSEK	2003	2002
<i>Net sales</i>	21.9	37.4
Profit/loss before allocations and tax	178.6	155.1
<i>Whereof dividends from subsidiaries and associated companies</i>	238.7	193.3
Investments	22.7	131.2
Disinvestments	0.5	100.2
Disposable liquidity	628.7	727.7
<i>Whereof unutilised overdraft facilities</i>	37.3	37.4

ACCOUNTING PRINCIPLES

This preliminary report has been drawn up in accordance with standards from Redovisningsrådet (the Swedish Financial Accounting Standards Council) RR20 concerning interim reporting. Furthermore, Broström AB applies in its reports the new standards up to and including 2003 from Redovisningsrådet. In connection with the increased ownership in Iver Ships Ltd a new joint ownership agreement has been entered into with the other company which has a half-interest. The company is now considered as a Joint Venture. Therefore, the share in Iver Ships Ltd is recorded in the Group as from 2003 according to the proportional method and not, as earlier, according to the equity method. Otherwise the same accounting principles and methods of calculation as per the latest annual report have been used.

TONNAGE TAX

France has introduced a tonnage tax for French shipping and has received approval from the EU for its system. Broström has as from 2003 placed the two companies bareboat chartering the vessels BRO ELIZABETH and BRO ELLEN into the tonnage tax system. The tax for these two companies is MSEK 0.2 during this period which is MSEK 15.0 lower than conventional taxation. For the other companies in the French group Broström has chosen to wait until 2004 so as to be able to benefit from earlier deductions for loss in the pay assessment for the income year 2003. MSEK 234.6 of the total deferred tax in the balance sheet as at 31 December 2003 amounting to MSEK 561.5 originates from the French

operations. The balance relates to the Swedish taxation.

Broström will not until all details in the new French tonnage tax system are settled take it into its accounting records.

SHARES AND SHAREHOLDERS

The trading in Broström shares continued to increase in 2003. Since July 2002 the shares have been quoted within the segment Attract40 on the O-list of the Stockholm Stock Exchange. Besides increased liquidity of the shares the number of shareholders has increased by 4,978 to 9,741 on 31 December 2003.

The share price rose during the year by 87 per cent. Affärsvärlden's general index increased during the same period by 29 per cent. This means that the Broström B share exceeds the general index for the fourth year in a row.

PROPOSED DIVIDEND

The Board of Directors will propose to the Annual General Meeting an ordinary dividend of SEK 3.00 (3.00) per share. An additional dividend of SEK 1.50 per share will also be

Göteborg, 25 February 2004

BROSTRÖM AB (publ)

On behalf of the Board

Lennart Simonsson
Managing Director

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This report has not been reviewed by Broström's auditors.

More information about Broström and press releases can be found on www.brostrom.se.

proposed. The reasons for the proposal of an extra dividend are both the improved market conditions with a strong freight market in the beginning of 2004 and Broström's liquid position. The proposal means a total dividend of MSEK 131.6 (87.1). Proposal for the record day is 30 April 2004.

ANNUAL GENERAL MEETING AND ANNUAL REPORT

The Annual General Meeting will be held at 17.00 hrs on 27 April 2004 at Stenhammarsalen in Göteborg.

The Annual Report will be available for shareholders in April. It will also be available for the public at the Swedish Patent and Registration Office and at www.brostrom.se.

NEXT REPORTS

Broström will publish its next financial reports on the following dates in 2004:

27	April	Interim report three months 2004 and Annual General Meeting
25	August	Interim report six months 2004
29	October	Interim report nine months 2004

INCOME STATEMENTS

Group MSEK	12 months		Fourth quarter	
	2003	2002	2003	2002
Net sales	3,267.3	2,587.1	770.6	660.5
Other income incl. sale of vessel	40.2	- 17.8	38.0	- 8.4
<i>Total income</i>	3,307.5	2,569.3	808.6	652.1
Share in associated companies' profit/loss before tax	6.6	26.1	- 0.4	6.7
<i>Operating expenses</i>				
External expenses	- 2,213.6	- 1,658.5	- 556.7	- 440.2
Staff costs	- 502.6	- 391.2	- 136.2	- 95.7
Depreciation and write-downs	- 242.8	- 221.7	- 60.3	- 58.8
Items affecting comparability	-	0.7	0.8	0.8
<i>Total operating expenses</i>	- 2,959.0	- 2,270.7	- 752.4	- 593.9
Operating profit (EBIT)	355.1	324.7	55.8	64.9
<i>Financial items</i>				
Interest income	39.8	53.2	8.2	12.0
Currency exchange rate difference on assets	- 59.3	- 60.9	- 23.6	- 10.9
Interest expenses	- 120.0	- 155.6	- 27.7	- 37.0
Currency exchange rate difference on liabilities	22.5	- 22.1	9.4	- 0.5
<i>Net financial items</i>	- 117.0	- 185.4	- 33.7	- 36.3
Profit after financial items	238.1	139.3	22.1	28.6
Tax on profit of the period	- 47.9	- 42.4	4.6	- 10.0
Minority shares in profit/loss for the period	- 11.4	- 1.7	- 3.3	- 0.4
Profit for the period	178.8	95.2	23.4	18.2
Average SEK/USD exchange rate	8.09	9.73	7.58	9.10
Average SEK/EUR exchange rate	9.12	9.16	9.02	9.09

BALANCE SHEETS

Group, MSEK	2003-12-31	2002-12-31
ASSETS		
<i>Fixed assets</i>		
Goodwill	58.4	33.9
Other intangible fixed assets	7.2	8.0
Tangible fixed assets	3,708.3	3,821.3
Financial fixed assets, interest-bearing	35.5	45.7
Financial fixed assets, non-interest-bearing	175.1	248.4
<i>Total fixed assets</i>	3,984.5	4,157.3
<i>Current assets</i>		
Inventories	41.0	51.2
Receivables	676.7	514.1
Short-term financial investments	645.8	809.9
Cash and bank balances	298.8	161.9
<i>Total current assets</i>	1,662.3	1,537.1
Total assets	5,646.8	5,694.4
SHAREHOLDERS' EQUITY AND LIABILITIES		
Shareholders' equity ¹⁾	1477.0	1,402.2
Minority interests	24.5	13.9
Debenture loan, interest-bearing	230.6	250.9
Equalization reserve	105.9	143.3
Deferred tax	561.5	520.4
Provisions	16.6	6.9
Long-term liabilities, interest-bearing ²⁾	2,449.3	2,615.6
Current liabilities, interest-bearing ²⁾	240.0	251.5
Current liabilities, non-interest-bearing	541.4	489.6
Total shareholders' equity and liabilities	5,646.8	5,694.4
Contingent liabilities	312.7	525.5
Closing day SEK/USD exchange rate	7.28	8.83
Closing day SEK/EUR exchange rate	9.09	9.19
¹⁾ Of which non-restricted equity	469.7	402.5
²⁾ Of which financial leasing	489.3	418.6

CHANGES IN SHAREHOLDERS' EQUITY

Group, MSEK	2003	2002
According to annual accounts	1,402.2	1,456.0
Share issue	4.8	3.4
Translation difference	- 21.7	- 29.9
Dividend	- 87.1	- 122.5
Profit/loss for the period	178.8	95.2
Amount at the end of the period	1,477.0	1,402.2

The translation difference of the period is mainly due to fluctuations in the EUR and USD exchange rates in which currencies the subsidiary Broström Holding BV (owner of Broström Tankers SAS) and the associated company Iver Ships Ltd are recorded.

CASH FLOW STATEMENTS

Group, MSEK	2003	2002
CURRENT ACTIVITIES		
Operating profit/loss	355.1	324.7
Adjustments for items not included in the cash flow etc	161.7	148.7
Financial items and tax	- 96.2	- 53.8
Movement in the working capital	- 76.7	- 5.9
Cash flow from current activities before dividend	343.9	413.7
Dividend to shareholders	- 87.1	- 122.5
Cash flow from current activities	256.8	291.2
INVESTMENT ACTIVITIES		
Investments in fixed assets	- 305.3	- 615.8
Sale of fixed assets	295.8	70.4
Increase/decrease in financial fixed assets	10.2	27.8
Cash flow from investment activities	0.7	- 517.6
FINANCING ACTIVITIES		
New share issue	4.8	3.4
New loans	206.9	475.5
Repayment of loans	- 451.6	- 362.0
Cash flow from financing activities	- 239.9	116.9
Translation difference	1.1	- 16.3
Cash flow for the period	18.7	- 125.8
Liquid funds, opening balance	971.8	1,150.5
Liquid funds at the beginning of the year in company for which consolidation method has been changed	21.7	
Exchange rate difference in liquid funds	- 67.7	- 52.9
Liquid funds, closing balance	944.5	971.8

QUARTERLY EARNING TREND

Group, MSEK	2003				2002				2001
	Q 4	Q 3	Q 2	Q 1	Q 4	Q 3	Q 2	Q 1	Q 4
Net sales	770.6	774.3	812.4	910.1	660.5	599.9	668.0	658.7	712.3
Operating profit/loss	55.8	61.8	93.1	144.4	64.9	45.7	89.9	124.2	125.4
Profit/loss after financial items	22.1	31.0	70.0	115.0	28.6	20.4	19.4	70.8	89.1
Adjustments:									
Extraordinary items	- 0.8	0.0	0.8	0.0	- 0.7	- 0.3	0.4	- 0.1	6.2
Capital gain/loss	- 29.9	0.0	-	-	10.4	15.2	-	-	-
Profit/loss after adjustment	- 8.6	31.0	70.8	115.0	38.3	35.3	19.8	70.7	95.3
Rolling 12 months	208.2	255.1	259.4	208.4	164.1	221.1	266.7	378.9	440.8

FIVE-YEAR SUMMARY

Group, MSEK	2003	2002	2001	2000	1999
INCOME STATEMENTS					
Net sales	3,267.3	2,587.1	2,642.0	2,498.7	2,033.9
Operating profit (EBIT)	355.1	324.7	580.2	499.1	90.3
Net financial items	- 117.0	- 185.4	- 145.8	- 180.0	- 120.2
<i>Profit/loss after financial items</i>	238.1	139.3	434.4	319.1	- 29.9
Tax on profit for the year	- 47.9	- 42.4	- 122.8	- 104.3	1.2
Minority shares in profit for the year	- 11.4	- 1.7	- 3.9	- 3.3	- 0.5
<i>Consolidated profit/loss for the year</i>	178.8	95.2	307.7	211.5	- 29.2
BALANCE SHEETS					
Fixed assets	3,984.5	4,157.3	3,611.0	3,173.5	3,333.6
Current assets excl. liquid funds	717.7	565.3	602.2	649.5	464.8
Liquid funds	944.6	971.8	1,150.5	598.0	432.8
<i>Total assets</i>	5,646.8	5,694.4	5,363.7	4,421.0	4,231.2
Shareholders' equity	1,477.0	1,402.2	1,456.0	1,151.6	861.6
Minority interests	24.5	13.9	11.5	3.0	1.7
Debenture loan	230.6	250.9	237.0	221.0	221.0
Equalization reserve	105.9	143.3	72.9	81.2	116.1
Deferred tax	561.5	520.4	495.9	353.5	308.6
Long-term liabilities and provisions	2,465.9	2,622.5	2,318.7	1,973.9	2,153.4
Current liabilities	781.4	741.2	771.7	636.8	568.8
<i>Total shareholders' equity and liabilities</i>	5,646.8	5,694.4	5,363.7	4,421.0	4,231.2
CASH FLOW STATEMENTS					
Current activities	420.6	419.6	612.1	371.4	52.1
Changes in working capital	- 76.7	- 5.9	174.5	- 109.6	26.9
Cash flow from current activities	343.9	413.7	786.6	261.8	79.0
Dividend to shareholders	- 87.1	- 122.5	- 57.6	- 7.2	- 14.4
Investment activities	0.7	- 517.6	- 218.5	85.0	- 523.7
Financing activities	- 239.9	116.9	61.2	- 154.8	168.0
Translation difference	1.1	- 16.3	- 41.3	- 36.5	49.8
Cash flow for the period	18.7	- 125.8	530.4	148.3	- 241.3
Liquid funds, opening balance	971.8	1,150.5	598.0	432.8	651.2
Changed consolidation	21.7				
Exchange rate difference in liquid funds	- 67.7	- 52.9	22.1	16.9	22.9
<i>Liquid funds, closing balance</i>	944.5	971.8	1,150.5	598.0	432.8
OTHER					
Adjusted shareholders' equity	1,803	1,758	1,751	1,427	1,158
Capital employed, weighted average	4,489	4,400	3,906	3,496	3,377
Capital employed, at year-end	4,438	4,541	4,259	3,553	3,438
Operating capital	3,563	3,666	3,107	2,818	2,947
Net debt	1,745	1,895	1,394	1,568	1,846
Value added per employee TSEK	823	754	1,031	777	438
Average number of employees	1,042	831	840	958	985

KEY RATIOS

	2003	2002	2001	2000	1999
MARGINS					
EBITDA-margin, %	18.3	21.1	28.7	26.8	12.4
EBIT-margin (operating margin), %	10.9	12.6	22.0	20.0	4.4
Profit margin, %	7.3	5.4	16.4	12.8	Neg.
RETURN RATIOS					
Return on capital employed, %	7.5	7.2	17.5	16.2	5.2
Return on shareholders' equity, %	12.4	6.7	23.6	21.0	Neg.
Return on total capital, %	5.9	5.7	13.9	13.1	4.2
Return on operating capital, %	9.8	9.6	19.6	17.3	3.2
CAPITAL STRUCTURE					
Debt/equity ratio, multiple	1.2	1.3	1.0	1.4	2.1
Interest cover ratio, multiple	3.4	1.8	2.8	2.3	0.9
Equity/assets ratio, %	26.6	24.9	27.4	26.1	20.4
Adjusted equity/assets ratio, %	31.9	30.9	32.6	32.3	27.4
Share of risk-bearing capital, %	42.5	40.9	42.4	41.0	35.7
EMPLOYEES					
Value added per employee, TSEK	823	754	1,031	777	438
APPROPRIATION OF PROFITS					
Dividend in relation to shareholders' equity, %	8.9	6.2	8.4	5.0	0.8

For definitions please see Annual Report 2002.

SHARE DATA

Price-related share data	2003	2002	2001	2000	1999
Closing price at year-end), SEK	72.00	38.50	42.00	18.40	11.70
Highest price paid during the year, SEK	73.50	54.00	42.00	20.00	16.00
Lowest price paid during the year, SEK	34.70	31.00	17.00	9.30	11.00
Market value at year-end, MSEK	2,105	1,118	1,196	530	337
P/E ratio	11.7	11.7	3.9	2.5	Neg.
P/EBIT	5.9	3.4	2.1	1.1	3.7
P/CE	6.1	2.6	1.5	2.1	5.0
P/Adjusted equity, %	117	64	69	37	29
Yield, %	6.3	7.8	10.1	10.9	2.1
Data per share	2003	2002	2001	2000	1999
EBITDA, SEK	20.53	18.91	26.32	23.22	8.77
Profit/loss after net financial items, SEK	8.17	4.82	15.07	11.08	- 1.04
Profit/loss, SEK	6.14	3.29	10.68	7.34	- 1.01
Profit/loss after dilution, SEK	6.08	3.27	10.61	7.34	- 1.01
Shareholders' equity, SEK	50.51	48.31	50.53	39.96	29.90
Shareholders' equity after dilution, SEK	50.22	48.09	50.20	39.96	29.90
Adjusted shareholders' equity, SEK	61.65	60.55	60.75	49.52	40.18
Cash flow from current activities, SEK	11.81	14.85	27.30	9.09	2.83
Cash flow for the year, SEK	0.64	- 4.35	18.40	5.15	- 8.37
Dividend (proposed), SEK	4.50	3.00	4.25	2.00	0.25
Number of shares	2003	2002	2001	2000	1999
Number of shares, closing date	29,239,988	29,027,988	28,815,988	28,815,988	28,815,988
Average number of shares	29,119,946	28,901,613	28,815,988	28,815,988	28,815,988
Number of outstanding options	648,500	212,000	424,000	424,000	-
Number of dilution shares	167,611	130,550	185,700	-	-
Number of shares after full dilution at year-end	29,407,599	29,158,538	29,001,688	28,815,988	-

SHAREHOLDERS

Owner 31 December 2003	Number of A shares	Number of B shares	Percentage of capital	Percentage of votes
Shipinvest Intressenter AB*	794,884	2,257,776	10.4	21.1
Four Seasons Venture Capital AB	539,688	2,158,752	9.2	15.6
Per Dreijer family incl. companies	168,000	778,430	3.1	5.0
Björnram family	171,840	400,260	2.0	4.4
Odin Fonder, Oslo		2,208,800	7.6	4.6
Aldo Maccio	144,000		0.5	3.0
Inger Dreijer family	115,200	143,920	0.9	2.7
Johansson family incl. companies	100,008	106,492	0.7	2.3
Kenneth Nilsson	84,908	267,072	1.2	2.3
Andra AP-fonden		762,880	2.6	1.6
Other**	7,200	18,029,878	61.7	37.4
Total	2,125,728	27,114,260	100.0	100.0
* Shipinvest Intressenter AB :				
Four Seasons Venture Capital AB			57.9	45.2
Per Dreijer family			34.7	45.2
Lennart Simonsson			7.4	9.6
Total			100.0	100.0

** Including non-Swedish nominee shareholders where individual holdings are not officially registered.