



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 worldwide and operates within two areas: Shipping and Marine & Logistics Services. Broström's head office is located in Göteborg, Sweden.

Press Release

INTERIM REPORT 1 JANUARY - 30 SEPTEMBER 2005

Broström AB (publ) – Reg. no. 556005-1467

- **Third quarter clearly stronger than in preceding years.**
 - Strong start and finish to the quarter
 - Seasonal slowdown briefer than usual
 - Good capacity utilisation of Broström's fleet
- **Profit after net financial items for the first nine months SEK 440 m (241).**
 - Net sales SEK 2,691 m (2,361)
 - Profit after tax SEK 371 m (386 incl. one-off effect of SEK 181 m from introduction of tonnage tax)
 - Earnings per share SEK 11.25 (12.93 incl. one-off effect of SEK 6.19 from introduction of tonnage tax)
 - Return on capital employed 14.2% (10.3%)
- **Profit after net financial items for Q3 SEK 93 m (44).**
 - Net sales SEK 944 m (742)
 - Profit after tax SEK 79 m (40)
 - Earnings per share SEK 2.35 (1.33)
- **Shareholders' equity (excl. dividend and non-cash issues) increased by SEK 674 m (SEK 20.65 per share) during the period, including SEK 303 m in currency translation differences (IFRS).**
- **Cash flow and disposable liquidity.**
 - Cash flow per share 14.71 (13.77)
 - Disposable liquidity amounted to SEK 1,025 m (828 on 31 December 2004)
 - The dividend payout was SEK 162 m
- **Increase in transport capacity during the second quarter.**
 - The vessels BRO EDWARD and EVINCO were delivered from shipyards in China
- **Outlook for 2005.**

The start of the fourth quarter of 2005 has been characterised by a strong freight market in Broström's segments. Structural changes and growing regional imbalances are leading to a continued greater need for transport. The outlook continues to be considered as favourable to the rest of the year and into 2006.

SEK m	9 months		Third quarter		Full year
	2005	2004	2005	2004	2004
Net sales	2,690.6	2,361.3	943.8	742.4	3,206.8
Operating profit (EBIT)	502.4	297.1	120.8	61.9	403.8
Profit after net financial items	439.7	241.2	92.6	43.8	324.7
Profit for the period	371.0	386.0	79.4	40.3	486.7
Investments	708.9	309.3	311.7	56.6	943.3
Cash flow from operating activities	474.6	402.6	80.4	131.9	429.6
Disposable liquidity	1,025.3	826.2			827.8
Return on capital employed, %	14.2	10.3			9.9
Adjusted equity/assets ratio, %	39.7	36.6			38.0
Profit before tax per share, SEK	13.63	8.25	2.85	1.47	11.08
Net profit per share, SEK	11.25	12.93	2.35	1.33	16.33
Net profit per share after dilution, SEK	11.15	12.84	2.33	1.32	15.09
Cash flow from operating activities per share, SEK	14.71	13.77	2.47	4.51	14.67
Average number of shares	32,254,946	29,239,988	32,371,603	29,239,988	29,287,217

ACTIVITIES

Shipping

Market overview

Following a strong start to the first half of the year, the freight market experienced a seasonal decline during the third quarter, with generally lower volumes and lower prices in the spot market, although not to the same extent as in previous years.

Supply and demand in the oil energy sector are in balance for the most part and consequently small disruptions in the production and distribution chain have a rapid impact. Thus, the effect of the hurricanes that hit the US late in the third quarter had a strong impact on the market and caused a sharp rise in the spot market price for transport at the end of the quarter. At the same time transportation was over increasingly longer distances.

The shipyards' orderbooks continue to be well-filled, and newbuilding prices remain high. The price trend for quality second-hand tonnage has followed the same pattern.

Development for Broström

Broström continued to strengthen its positions in product and chemical tanker shipping during the period.

Newly built vessels have been added to the fleet, and contract negotiations held during the period have resulted in a favourable outcome both in terms of price and volume.

Despite the normal seasonal downturn, the third quarter started out with a relatively strong freight market in Broström's segments. This was followed by a slight slowdown, after which the market strengthened dramatically toward the end of the quarter. Since Broström has relatively extensive advance planning in the programming of its fleet as a result of its CoA (Contract of Affreightment) strategy, this strengthening of the freight market did not bear an appreciable impact during the quarter, but will be felt in the fourth quarter.

Broström's commercial fleet currently comprises slightly more than 80 vessels. Following the delivery to Broström of newbuildings currently on order, the commercial fleet is expected to comprise approximately 100 vessels within two years.

In pace with the delivery of vessels, the effects of the acquisitions that Broström made in early 2005

will lead to a gradual increase in Broström's business volume. This will entail, among other things, a doubling of capacity in Asia.

Continued consolidation in the tanker shipping sector will take place. Broström intends in the future to continue to take advantage of potential consolidation opportunities in the segments in which the company is active.

Changes in the fleet

The vessel BRO EDWARD (37,300 dwt) was delivered from the shipyard in China in June. The vessel is wholly owned by Broström and has been employed primarily in Broström's European traffic together with other vessels in the same segment. An additional sister vessel remains to be delivered from the Chinese shipyard to Broström. Delivery is scheduled to take place early in the fourth quarter of 2005. Once this vessel is delivered, Broström's commercial fleet in the 37,000 segment will comprise eight vessels. Broström will then have achieved the critical mass needed in the segment to offer efficient contract shipping.

The vessel EVINCO (19,500 dwt), which Broström co-owns together with Rederi AB Donsötank, was delivered from the shipyard in China. Broström's stake amounts to 30%. This vessel will be employed in Broström's European traffic.

Tonnage tax

Starting in 2004, Broström's entire French operation is affiliated with the tonnage tax system, in accordance with the EU's shipping policy. The one-off effect in 2004 was SEK 181 m.

In Sweden work is now being conducted by a Commission which will submit its proposal in 2005 on the introduction of a tonnage tax.

Of the total deferred tax of SEK 461.9 m on the balance sheet as per 30 September 2005, SEK 48.1 m stems from the French operation. The rest pertains to Swedish taxation.

Sales and profit Q3 2005

Net sales for the Shipping operations area amounted to SEK 739.0 m (563.0) for the third quarter of 2005.

Operating profit was SEK 126.1 m (68.0).

Development and profit during the third quarter were satisfactory.

Sales and profit

January – September 2005

Net sales for the Shipping operations area amounted to SEK 2,074.6 m (1,813.6) for the first nine months of 2005.

Operating profit was SEK 496.4 m (314.0).

Development and profit for the first nine months were satisfactory.

Shipping

	9 months		Third quarter		Full year
SEK m	2005	2004	2005	2004	2004
Net sales	2,074.6	1,813.6	739.0	563.0	2,451.9
Operating profit	496.4	314.0	126.1	68.0	434.2

Marine & Logistics Services

Market overview

A continued increase in transport volume for intermodal bulk transport in Northern Europe could be noted. However, the higher cost of fuel is one of several factors that continues to put pressure on margins.

The market for business travel increased during the third quarter. However, most of this increase came directly to travel providers, while volume through travel agencies was basically unchanged. Rising activity in international shipping has contributed to higher demand for marine travel.

Development for Broström

Nordic Bulkshippers has performed well during the year, with continued growth in volume. Continuous development and adaptation of the company's logistics system have resulted in improved profit.

Broström's Resebyrå successively improved its earnings during the period compared with a year earlier. Growth has been noted in the marine travel segment from existing customers as well

as from new customer agreements. Broström has decided to open an office in Manila specialising in marine travel.

With a high level of activity in the oil industry, the number of tanker calls in ports with refinery or oil terminal capacity has been high, which has been positive for many of the ship agencies in the Broström Ship Agency Network. The continued strong Swedish export economy has also contributed to a satisfactory development for this part of the business.

Sales and profit Q3 2005

Net sales for the Marine & Logistics Services operations area for the third quarter amounted to SEK 204.7 m (179.2).

Operating profit was SEK 7.9 m (2.5).

Sales and profit

January – September 2005

Net sales for the Marine & Logistics Services operations area for the first nine months amounted to SEK 615.7 m (547.4).

Operating profit was SEK 19.4 m (9.2).

Marine & Logistics Services

	9 months		Third quarter		Full year
SEK m	2005	2004	2005	2004	2004
Net sales	615.7	547.4	204.7	179.2	754.5
Operating profit	19.4	9.2	7.9	2.5	14.0

EXCHANGE RATE MOVEMENTS

Broström is affected by exchange rate movements primarily of the USD rate to SEK. See the section “Financial position and liquidity”.

GROUP FINANCIAL RESULTS

Net sales of the Group for the first nine months amounted to SEK 2,690.6 m (2,361.3).

The share in associated companies' profit was SEK 8.2 m (21.3). The reason for the decrease is that two of the companies are now wholly owned subsidiaries.

Operating profit was SEK 502.4 m (297.1).

Net interest expense amounted to SEK -73.2 m (-56.1). The USD Libor (6 months) interest rate changed during the period, from 2.8% on 31 December 2004 to 4.2% on 30 September 2005. Net financial items amounted to SEK -62.7 m (-55.9), which resulted in a profit of SEK 439.7 m (241.2) after net financial items.

The return on capital employed was 14.2% (10.3%).

Tax expenses during the period amounted to SEK -68.7 m (144.8), corresponding to 15.6% (-60.0%) of profit before tax. Paid tax amounted to SEK -3.3 m (0.2).

The figures for the period include capital gains of SEK 108.7 m on sales of vessels and operations.

Breakdown by operational areas

	9 months		Third quarter		Full year
SEK m	2005	2004	2005	2004	2004
<i>Net sales</i>					
Shipping	2,074.6	1,813.6	739.0	563.0	2,451.9
M & L Services	615.7	547.4	204.7	179.2	754.5
Other	0.3	0.3	0.1	0.2	0.4
	2,690.6	2,361.3	943.8	742.4	3,206.8
<i>Operating profit</i>					
Shipping	496.4	314.0	126.1	68.0	434.2
M & L Services	19.4	9.2	7.9	2.5	14.0
Other and joint expenses for the Group	-13.4	-26.1	-13.2	-8.6	-44.4
	502.4	297.1	120.8	61.9	403.8

MAJOR DEVELOPMENTS AFTER THE PERIOD

After the period all shares in Nordic Bulk AB have been sold. The business of Nordic Bulk AB has been reported in the segment Marine & Logistics Services. The buyer is Bertschi AG. The sale generated a capital gain of SEK 14 m and a liquidity contribution of SEK 50 m. The sale is a further step in Broström's strategic focus on tanker shipping. Annual net sales of Nordic Bulk AB are about SEK 400 m and it has about 60 employees.

Broström has also after the period, on 18 October, repaid a subordinated loan with limited conversion right. The loan issued by Royal Vopak was for SEK 131 m when repaid and bearing an interest rate of 8.75%. Broström refunded the loan with a traditional bank loan meaning a significant interest saving.

OUTLOOK

The start of the fourth quarter of 2005 has been characterised by a strong freight market in Broström's segments. Relative balance in the oil energy market is the driving force behind this trend. Transportation is also taking place over increasingly longer distances. Regional imbalances are expected to continue to increase. The rapidly growing Chinese economy, demand for oil in the US, and Russian imports of oil via the Baltic Sea are also contributing to high demand for transport of oil and chemical products.

The increasingly stringent requirements being made by authorities and customers with respect to quality, safety and the environment are putting ever-higher demands on the overall organisation that is involved in the logistics chain.

Together these factors point to a continued favourable development for Broström for the rest of the year and into 2006. Completed acquisitions and established co-operation agreements are expected to contribute gradually to improved earnings along with the addition of vessels to the fleet.

The shipyards' orderbooks are at historically high levels in Broström's vessel segments, and a large number of vessels will be delivered in the years immediately ahead. In Broström's view, however, this additional tonnage will be offset to a large degree by the major need for replacement and structural changes in the market.

The value of the US dollar relative to the Swedish krona is an uncertainty factor to note. All else equal, a weakening of the US dollar would have a negative impact on Broström's sales, earnings and shareholders' equity, while a strengthening would have a positive effect.

INVESTMENTS AND DIVESTMENTS

Total investments within the Group during the first nine months of the year amounted to SEK 708.9 m (309.3). Divestments totalled SEK 341.7 m (0.9).

Of total investments, SEK 517.2 m (290.3) pertained to vessels and newbuilding contracts.

All of the shares in Nordtank Shipping A/S were acquired during the first quarter. The acquisition was paid for in cash.

The acquisitions referred to above were paid for in part through the issuance of 952,286 new B-shares in Broström through the partial exercise of the authorisation granted to the Board previously by an Extraordinary General Meeting and in part through a cash payment.

During the second quarter, the remaining 50% of the shares in Iver Ships Ltd was acquired.

During the third quarter, delivery took place of two newbuildings: BRO EDWARD (37,300 dwt, 100% ownership stake) and EVINCO (19,500 dwt, 30% ownership stake).

During the first quarter, BRO SELMA (81,350 dwt, 1987) and BRO TONY (4,160 dwt, 1982) were delivered to the buyers, while BRO TINA (27,820 dwt, 1987) was delivered to her buyer during the second quarter.

The shareholding in Seawise Australia Pty was sold during the first quarter.

Broström is currently financially involved in investments in five newbuildings. Additional vessels and newbuildings will be added to the fleet under various co-operation arrangements.

Newbuildings on order

Name	Delivery	Dwt	Ownership	Partner
NB JLZ 506	2005	37,300	100%	
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 at www.brostrom.se.

CASH FLOW

Cash flow from operating activities before the shareholder dividend amounted to SEK 474.6 m (402.6), or SEK 14.71 (13.77) per share.

FINANCIAL POSITION AND LIQUIDITY

The Group's disposable liquidity on the balance sheet date amounted to SEK 1,025.3 m (827.8 on 31 December 2004). This amount includes unutilised overdraft facilities totalling SEK 50.2 m (52.3).

The shareholders received a dividend of SEK 161.7 m in May.

Net debt increased during the period from SEK 1,656.9 m to SEK 1,848.2 m, mainly due to investments in vessels and operations.

Shareholders' equity on the balance sheet date, according to the new accounting standards, amounted to SEK 2,419.6 m (1,799.5 on 31 December 2004), and the equity/assets ratio was 35.1% (32.5%). The adjusted equity/assets ratio was 39.7% (38.0%), which is above Broström's target of 30%.

Taken together, this means that shareholders' equity during the year to date, excluding the shareholder dividend and non-cash issues, has increased by a total of SEK 674 m, or SEK 20.65 per share. According to the new financial reporting rules, Broström's shipping operations are classified as USD companies; consequently, most exchange rate movements are now shown only on the balance sheet. Thus an analysis of Broström should also include, in addition to reported profit for the year, the currency movement that is reported under translation differences in shareholders' equity.

It should be noted that in connection with the implementation of IFRS, the company has decided not to restate the book value of its vessels. With today's market values of the Broström fleet it can be asserted that a substantial over-value exists compared to booked values.

Broström's financial position is strong and enables continued participation in possible structural changes in the industry.

CONTINGENT LIABILITIES

Contingent liabilities increased by SEK 6.8 m since the start of the year and amount to SEK 114.9 m (108.1 on 31 December 2004).

OPTION PROGRAMMES

As per 30 September 2005 Broström has two share option programmes in effect, of which one was introduced in 2003 and the other in 2005. The programmes have been offered to all permanent employees of the Group and to employees of partly owned companies in which Broström's ownership is more than 50%.

The option programme from 2003 consists of two option series with exercise dates in September 2005 and September 2006, respectively. Each employee was entitled to 2,000 options. If the programme was not fully subscribed, an additional maximum of 100,000 options could be subscribed. The price of each option was SEK 3.80 in series 2003/1 and SEK 4.35 in series 2003/2. An offer was also made in autumn 2004 to all new employees. The price then was SEK 34.00 per option in both series. Each option entitles its bearer to subscribe for one share at the exercise price of SEK 58.40. In September 2005, 275,750 warrants were redeemed. The total number of exercised options on 30 September 2005 was 275,750.

There were no outstanding options on the balance sheet date. The option programme entails increases of 0.8% and 0.5%, respectively, in the number of shares and votes.

The dilutive effect in terms of value was 0.6% on the balance sheet date.

The option programme from 2005 consists of two option series with exercise dates in September 2007 and September 2008, respectively. Each employee was entitled to 1,250 options. If the programme was not fully subscribed, an additional maximum of 98,750 options could be subscribed. The price of each option was SEK 6.25 in series 2005/1 and SEK 8.50 in series 2005/2. Each option entitles its bearer to subscribe for one share at the exercise price of SEK 157.20. The total number of exercised options on 30 September 2005 was 366,550. The remaining number of options was 633,450.

Exercised options in the programme entail increases of 1.1% and 1.9%, respectively, in the number of shares and votes.

The dilutive effect in terms of value was 0.2% on the balance sheet date.

STAFF

The number of employees has not changed significantly.

PARENT COMPANY

The activities of 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.

	9 months		Third quarter		Full year
SEK m	2005	2004	2005	2004	2004
<i>Net sales</i>	21.7	18.3	7.3	6.1	24.4
<i>Profit before allocations and tax</i>	23.6	131.8	-10.6	17.2	170.4
<i>Of which, dividends from subsidiaries and associated companies</i>	37.2	173.5	-	26.5	233.4
<i>Investments</i>	91.3	6.5	0.8	2.0	107.7
<i>Divestments</i>	17.9	-	-	-	-
<i>Disposable liquidity</i>	711.5	713.0			651.5
<i>Of which, unutilised overdraft facilities</i>	35.2	37.3			37.3

ACCOUNTING PRINCIPLES

This interim report has been prepared in accordance with IAS 34 Interim Financial Reporting and IFRS 1 with respect to transitional rules. The accounting principles of the parent company are in accordance with RR 32. In the Group the same accounting principles and methods of calculation have been used as in the 2004 Annual Report, with exception for the IFRS/IAS adjustments described below.

New accounting principles 2005 IFRS/IAS

Starting on 1 January 2005 the Broström Group applies the International Financial Reporting Standards (IFRS) approved by the EU. The in-

terim report for the first quarter of 2005 was the first financial report presented by Broström in accordance with IFRS. The information about the transition has been compiled in accordance with the IFRS guidelines that are expected to apply on 31 December 2005. New standards and pronouncements may be issued in 2005 for application in the annual report dated 31 December 2005. The IFRSs are also subject to continuous oversight and approval by the EU, which is why changes may still occur. Moreover, since the rules have only recently been introduced, clarifications may be made by the regulatory body, and development of generally accepted practice may entail further clarifications, which could affect the information provided in this interim report. Comparison figures for 2004 have been recalculated from 1 January 2004, with exception for IAS 39, where such recalculation is not required in accordance with the exemptions provided in IFRS 1. Nor have acquisition data for company acquisitions prior to 2004 been recalculated, in accordance with the exemptions in IFRS 1.

According to IAS 39, certain types of financial instruments are to be measured at fair value. The Group's holdings of such financial instruments are negligible, and the change in principle as per 1 January has an immaterial impact on the income statement and balance sheet.

The areas in which IFRS entails material differences compared to Broström's current accounting concern measurement of goodwill (IFRS 3, IAS 36 and IAS 38) effects of changes in foreign exchange rates (IAS 21), and investments in associates (IAS 28). These areas are described and quantified below in terms of their significant impact on Broström's net profit as per 30 September 2005 and their impact on shareholders' equity.

Goodwill – IFRS 3, IAS 36 and 38

According to IAS 38, goodwill is to be recognised as an asset with an indefinite useful life and should therefore not be amortised. Instead, goodwill is to be tested for impairment annually. Broström tested its goodwill for impairment on 1 January and 31 December 2004. According to these tests, there was no need for any goodwill write-down.

Consequently, no goodwill amortisation schedules are reported in the comparison figures for 2004 in accordance with IFRS.

Investments in associates – IAS 28

According to IAS 28, profits from investments in associated companies are to be reported after tax, which Broström previously reported before tax. The comparison figures for 2004 have been adjusted.

Effects of changes in foreign exchange rates – IAS 21

IAS 21 stipulates that a functional currency is to be decided for each legal entity. The functional currency is defined as the currency in which the company has the greatest share of revenue and expense and which is the most important financing currency. Broström has determined that the primary shipping companies in the Group have USD as their functional currency, while the other companies' functional currencies consist of their respective local currencies. In view of the functional currency, the accounts for 2004 have then been recalculated. Vessels have been carried at historical cost in USD, taking into account a normal depreciation plan and loans at their nominal amounts in USD. These values have

then been recalculated at the year-end USD to SEK rate, using the current method.

Deferred tax on the changed asset and liability values in the recalculation to functional currency has been taken into account. As a result of the aforementioned accounting principles, the temporary differences between the book value and the tax value will vary along with changes in foreign exchange rates. The tax effect from this is reported against shareholders' equity.

At the start of 2005, as a result of the steadily weakening USD against SEK in recent years, shareholders' equity had been negatively affected, since the companies in which the vessels are included used USD as their functional currency. On the other hand, the reporting of vessel loans had a positive effect on shareholders' equity, since the previous historical acquisition prices were higher than those stated in the balance sheet at 31 December 2004.

Effects on income statement and balance sheet (only for comparison)

If IFRS had been implemented in 2004, the effects on the income statement and balance sheet

as per 30 September 2004 would have been a positive earnings impact of SEK 2.9 m and a negative shareholders' equity impact of SEK -56.7 m (see table below).

Income statements and balance sheets (for comparison)

SEK m	Swedish GAAP Accum. 30/9/2004	Adjustment	IFRS Accum. 30/9/2004	Swedish GAAP Q3 2004	Adjustment	IFRS Q3 2004
Income statements						
Net sales	2,361.3	-	2,361.3	742.4	-	742.4
Other income	7.4	-	7.4	2.9	0.3	3.2
<i>Total income</i>	<i>2,368.7</i>	<i>-</i>	<i>2,368.71</i>	<i>745.3</i>	<i>0.3</i>	<i>745.6</i>
Share in associated companies' profit	23.1	- 1.8	21.3	5.8	- 1.0	4.8
Operating expenses	- 1,940.6	- 2.5	- 1,943.1	- 636.5	- 0.8	- 637.3
Depreciation and write-downs	- 175.4	25.6	- 149.8	- 59.3	8.1	- 51.2
<i>Total operating expenses</i>	<i>- 2,116.0</i>	<i>23.1</i>	<i>- 2,092.9</i>	<i>- 695.8</i>	<i>7.3</i>	<i>- 688.5</i>
Operating profit	275.8	21.3	297.1	55.3	6.6	61.9
Net financial items	- 32.5	- 23.4	- 55.9	- 22.1	4.0	- 18.1
Profit after net financial items	243.3	-2.1	241.2	33.2	10.6	43.8
Tax	147.9	- 3.1	144.8	- 3.5	-	- 3.5
Minority share (in profit/loss for the year)	- 8.1	8.1	-	- 1.0	1.0	-
Profit for the year	383.1	2.9	386.0	28.7	11.6	40.3
Of which, minority share			8.2			1.1
Balance sheets						
	Swedish GAAP Accum. 30/9/2004	Adjustment	IFRS Accum. 30/9/2004			
Goodwill	56.8	5.7	62.5			
Tangible fixed assets	3,846.3	- 251.6	3,594.7			
Other assets	1,821.1	- 190.3	1,630.8			
Total assets	5,724.2	- 436.2	5,288.0			
Shareholders' equity	1,722.5	- 56.7	1,665.8			
Minority interests	32.0	- 32.0	-			
Debenture loan, interest-bearing	200.5	-	200.5			
Deferred tax	409.9	- 28.1	381.8			
Equalisation reserve, provisions	100.8	- 18.4	82.4			
Other liabilities	3,258.5	- 301.0	2,957.5			
Total shareholders' equity and liabilities	5,724.2	- 436.2	5,288.0			
Of which, minority interest			31.2			

FUTURE REPORTS

Broström will release financial reports on the following dates in 2006:

24	February	Preliminary report 2005
3	May	Interim report three months 2006 and Annual General Meeting
25	August	Interim report six months 2006
31	October	Interim report nine months 2006

Göteborg, 28 October 2005

BROSTRÖM AB (publ)

On behalf of the Board

Lennart Simonsson
Managing Director

Broström AB
403 30 Göteborg
Tel +46 31 61 61 00
Reg. no. 556005-1467

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

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

INCOME STATEMENTS

SEK m	2005	9 months 2004	2005	Third quarter 2004	Full year 2004
Net sales	2,690.6	2,361.3	943.8	742.4	3,206.8
Other income, including sales of vessels	144.4	7.4	18.9	3.2	9.6
<i>Total income</i>	2,835.0	2,368.7	962.7	745.6	3,216.4
Share in associated companies' profit	8.2	21.3	3.1	4.8	16.3
<i>Operating expenses</i>					
External expenses	- 1,798.1	- 1,579.9	- 654.4	- 518.0	- 2,128.6
Personnel costs	- 371.6	- 363.2	- 131.9	- 119.3	- 501.3
Depreciation and write-downs	- 171.1	- 149.8	- 58.7	- 51.2	- 199.0
<i>Total operating expenses</i>	- 2,340.8	- 2,092.9	- 845.0	- 688.5	- 2,828.9
Operating profit (EBIT)	502.4	297.1	120.8	61.9	403.8
<i>Financial items</i>					
Interest income	31.7	25.5	10.3	12.4	32.5
Exchange rate differences on assets	12.7	0.4	- 0.3	- 0.2	- 7.1
Interest expenses	-104.9	- 81.6	- 44.7	- 30.2	- 105.4
Exchange rate differences on liabilities	- 2.2	- 0.2	6.5	- 0.1	0.9
<i>Net financial items</i>	- 62.7	- 55.9	- 28.2	- 18.1	- 79.1
Profit after net financial items	439.7	241.2	92.6	43.8	324.7
Tax on profit for the period	- 68.7	144.8	- 13.2	- 3.5	162.0
Profit for the period	371.0	386.0	79.4	40.3	486.7
The profit for the period attributable to					
Shareholders of the parent	363.1	377.8	76.8	39.2	478.2
Minority interest	7.9	8.2	2.6	1.1	8.5
Earnings per share, SEK	11.25	12.93	2.35	1.33	16.33
Earnings per share after dilution, SEK	11.15	12.84	2.33	1.32	15.09
Average exchange rate SEK/USD	7.31	7.48	7.68	7.34	7.35
Average exchange rate SEK/EUR	9.22	9.16	9.37	9.18	9.12

BALANCE SHEETS

Group, SEK m	30 September 2005	31 December 2004
ASSETS		
<i>Fixed assets</i>		
Goodwill	146.4	49.7
Other intangible fixed assets	6.6	7.6
Tangible fixed assets	4,642.3	3,824.4
Financial fixed assets, interest-bearing	30.9	28.5
Financial fixed assets, non-interest-bearing	61.9	50.7
<i>Total fixed assets</i>	4,888.1	3,960.9
<i>Current assets</i>		
Inventories	94.8	26.3
Receivables	705.7	598.7
Short-term investments	679.0	659.0
Cash and bank balances	523.0	295.9
<i>Total current assets</i>	2,002.5	1,579.9
Total assets	6,890.6	5,540.8
SHAREHOLDERS' EQUITY AND LIABILITIES		
Shareholders' equity ¹⁾	2,419.6	1,799.5
<i>Long-term liabilities</i>		
Debenture loans, interest-bearing	161.4	200.3
Equalisation reserve	154.5	107.3
Deferred tax	461.9	344.5
Long-term liabilities, interest-bearing ^{2) 3)}	2,864.6	2,363.2
<i>Total long-term liabilities</i>	3,642.4	3,015.3
<i>Short-term liabilities</i>		
Current liabilities, interest-bearing ²⁾	210.5	273.8
Current liabilities, non-interest-bearing	618.1	452.2
<i>Total short-term liabilities</i>	828.6	726.0
Total liabilities and shareholders' equity	6,890.6	5,540.8
Contingent liabilities	114.9	108.1
Closing day exchange rate SEK/USD	7.78	6.61
Closing day exchange rate SEK/EUR	9.34	9.01
¹⁾ Of which minority interest	41.4	32.1
²⁾ Of which financial leasing	743.9	501.7
³⁾ Of which provisions	24.8	25.2

CHANGES IN SHAREHOLDERS' EQUITY

Group, SEK m	2005	9 months 2004	Full year 2004
According to annual accounts	1,799.5	1,477.0	1,477.0
Effect of change of accounting principle IFRS	-	-110.2	- 229.2
Share issue and warrant premiums	108.1	-	209.2
Translation difference	302.7	44.6	- 12.6
Dividend	- 161.7	- 131.6	- 131.6
Profit for the period	371.0	386.0	486.7
Amount at the end of the period	2,419.6	1,665.8	1,799.5

The translation difference for the period is mainly due to changes in the USD exchange rate, which is the reporting currency for the subsidiaries and associated companies Broström Holding BV (incl. the subsidiary Broström Tankers SAS), Broström Tankers AB and Broström Tankers Ltd, respectively.

CASH FLOW STATEMENTS

Group, SEK m	2005	9 months 2004	Full year 2004
OPERATING ACTIVITIES			
Operating profit	502.3	297.2	403.8
Adjustments for items not included in the cash flow etc	6.0	68.1	136.6
Financial items and tax	- 56.7	- 49.0	- 105.3
Change in working capital	23.0	86.3	- 5.5
Cash flow from operating activities before dividend	474.6	402.6	429.6
Dividend to shareholders	- 161.7	- 131.6	- 131.6
Cash flow from operating activities	312.9	271.0	298.0
INVESTING ACTIVITIES			
Investments in fixed assets	- 382.1	- 309.4	- 483.3
Sale of fixed assets	392.8	0.9	35.4
Change in financial fixed assets	- 0.4	2.5	6.2
Cash flow from investing activities	10.3	- 306.0	- 441.7
FINANCING ACTIVITIES			
Warrant premiums and new share issue	17.7	-	-
New loans	353.7	220.5	321.0
Repayment of loans	- 532.7	- 163.8	- 228.9
Cash flow from financing activities	- 161.3	56.7	92.1
Translation difference	73.0	15.5	32.1
Cash flow for the period	234.9	37.2	- 19.5
Liquid assets, opening balance	954.9	944.5	944.5
Liquid assets at start of year in company for which the consolidation method was changed	-	-	25.7
Exchange rate difference in liquid assets	12.2	1.5	4.2
Liquid assets, closing balance	1 202.0	983.2	954.9

SHARE DATA

Per-share data	2005	9 months 2004	Full year 2004	Full year 2003
Earnings, SEK	11.25	12.93	16.33	6.14
Earnings after dilution, SEK	11.15	12.84	15.09	6.08
Shareholders' equity, SEK	75.02	55.90	57.32	50.51
Shareholders' equity after dilution, SEK	73.08	55.51	56.81	50.22
Cash flow from operating activities, SEK	14.71	13.77	14.67	11.81
Cash flow, net, excluding dividend, SEK	12.30	5.77	3.83	3.62
Cash flow, net, including dividend, SEK	7.28	1.27	- 0.67	0.64
Share price on balance sheet date	160.00	93.75	98.75	72.00

Number of shares				
Number of shares, closing date	32,622,042	29,239,988	31,394,806	29,239,988
Average number of shares	32,254,946	29,239,988	29,287,217	29,119,946
Number of outstanding options	1,275,750	648,500	648,500	648,500
Number of dilution shares	289,713	205,137	283,583	167,611
Number of shares after full dilution at end of period	32,912,555	29,445,125	31,678,389	29,407,599

KEY RATIOS

	2005	9 months 2004	Full year 2004	Full year 2003
Return on capital employed, %	14.2	10.3	9.9	7.5
Return on shareholders' equity, %	22.9	33.0	30.2	12.4
Debt/equity ratio, multiple	0.8	0.9	0.9	1.2
Interest cover ratio, multiple	5.1	3.9	4.1	3.4
Equity/assets ratio, %	35.1	31.5	32.5	26.6
Adjusted equity/assets ratio, %	39.7	36.6	38.0	31.9
Share of risk-bearing capital, %	46.4	43.8	44.2	42.5

For definitions, please see 2004 Annual Report.

Changed accounting principles according to IFRS from 2004 in this interim report.