

INTERIM REPORT

January – March, 2001

Substantial improvement in result following restructuring of business operations:

- ***Result before tax MSEK –1 (-15)***
- ***Equity/assets ratio 29% (14)***
- ***Profit expected in 2001***

Operations

Swedish Orient Line's (SOL) core business is liner shipping, which it has been engaged in for 90 years, between the Nordic countries and the eastern Mediterranean. Since October 1, 2000, this service has been operated via a joint venture, SolNiver Lines, with SOL holding 60% of the shares. This service is based on four RoRo vessels, which are chartered from SOL, and supplemented by chartered tonnage when the need arises. In addition to being the general agent for SolNiver Lines in Scandinavia, the Baltic States and the UK, SOL is also the agent for Pol-Levant Shipping Lines, which also operates liner traffic between the Nordic countries and the Mediterranean. SolNiver Lines has a traffic collaboration agreement with Pol-Levant Shipping Lines.

SOL also operates a container service between the Nordic countries and southern Africa and carries out liner agencies operations for traffic to and from West Africa as well as international project assignments.

Consolidated result

The consolidated result for the first quarter was MSEK –1 (-15). This improvement is a consequence of the restructuring of the business operations carried out in 2000 and was mainly accounted for by the liner service between the Nordic countries and the Mediterranean.

Shipping sales generated by the liner service to and from the Mediterranean increased 20% in comparable terms compared with the same period last year. This increase is due partly to higher cargo volumes as a result of the formation of SolNiver Lines and partly to higher freight rates. Only a portion of the higher shipping sales can be seen in the Group's total revenues since SolNiver Lines is consolidated proportionally and the revenues for the RoRo vessels are partly in the form of time-charter hire. The larger business volume, together with cost rationalisation measures carried out, has also resulted in improved operating margins for this service.

Swedish Orient Line's sale and charter-back of the four RoRo vessels, which took place at the end of last year, have resulted in lower overall costs for the vessels. Another consequence of this is that all the vessel costs are now shown as an operating cost, which means that consolidated depreciation has decreased sharply at the same time as a positive net financial result has arisen due to the fact that all the ship loans were repaid during the last quarter of 2000.

The container service between the Nordic countries and South Africa and the international project assignments recorded higher cargo volumes together with a continued rise in profits.

Financial position

The equity/assets ratio in the Group was 29% compared with 31% on 31 December, 2000.

Consolidated liquid funds, including investments and unutilised credit facilities, amounted to MSEK 29 compared with MSEK 33 at the end of last year. During the first quarter, MSEK 5 was repaid by Alecta to cover the pension premiums for the early retirement of employees at the end of last year. Investments during the period amounted to MSEK 0.0 (0.1).

Parent Company

The Parent Company's sales amounted to MSEK 11 (0). The operating result before depreciation was MSEK –3 (4) and the result before allocations and tax was MSEK –3 (1). Total assets were MSEK 81 (214).

Liquid funds, including investments and utilised credit facilities, totalled MSEK 16 (as per December 31, 2000: MSEK 13).

Prospects for 2001

After a somewhat weak beginning of the year, capacity utilisation was good in all SOL's business areas. The economic downturn, which has now begun in the Western World, is expected to result in higher exports from the Nordic countries to SOL's traffic areas during the year.

The restructuring of SOL's business activities in 2000 has had a large commercial impact which has resulted in, among other things, higher transport volumes and as a consequence more efficient operation. Together with the cost rationalisation measures carried out, this will result in improved profitability in the long term.

Assuming that the situation in the Middle East does not deteriorate still further, a profit is anticipated for both the first six months and the full year.

Next financial report

The Interim Report for the first six months of 2001 will be published on Monday, August 13, 2001.

Gothenburg, May 3, 2001.

SVENSKA ORIENT LINIEN AB (publ)
Board of Directors

Consolidated income statement

	January - March		Full year
<i>All figures in MSEK</i>	2001	2000	2000
Operating income	107	106	486
Operating expenses	-103	-98	-442
Administrative expenses	-5	-8	-34
Non-recurring item	-	-	-14
Sale of fixed assets	0	-	4
OPERATING RESULT BEFORE DEPRECIATION	-1	0	0
Depreciation	-1	-8	-26
OPERATING RESULT AFTER DEPRECIATION	-2	-8	-26
Financial net	1	-7	-25
RESULT AFTER FINANCIAL NET	-1	-15	-51
Tax	-	-	-
RESULT FOR THE PERIOD	-1	-15	-51
Result per share	-0.02	-0.30	-1.03
Number of shares	49 720	49 720	49 720

Consolidated balance sheet

	2001	2000	2000
<i>All figures in MSEK</i>	March	March	December
Tangible fixed assets	5	369	6
Intangible fixed assets	9	4	15
Current assets	10	7	4
Current receivables	65	105	64
Liquid funds	21	10	20
TOTAL ASSETS	110	495	109
SHAREHOLDERS' EQUITY AND LIABILITIES			
Shareholders' equity	32	71	33
Provisions	2	2	2
Long-term liabilities	10	293	5
Current liabilities	66	129	69
TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES	110	495	109

Change in consolidated shareholders' equity

	2001	2000	2000
<i>All figures in MSEK</i>	March	March	December
OPENING BALANCE	33	62	62
New share issue	-	24	27
Result for the period	-1	-15	-31
CLOSING BALANCE	32	71	58

Consolidated cash-flow analysis

<i>All figures in MSEK</i>	January - March		Full year
	2001	2000	2000
Operating result	-1	-8	-26
Adjustment for items not included in the cash flow	1	1	-8
CASH FLOW FROM OPERATIONS BEFORE CHANGES IN WORKING CAPITAL	0	-7	-34
Change in working capital	-5	-28	-23
CASH FLOW FROM OPERATIONS	-5	-35	-57
CASH FLOW FROM INVESTMENT ACTIVITIES	1	45	498
CASH FLOW FROM FINANCIAL ACTIVITIES	5	-26	-447
CHANGE IN LIQUID FUNDS	1	-16	-6
Liquid funds at beginning of period	20	26	26
Liquid funds at end of period	21	10	20

Key ratios and per-share data

		January - March		Full year
		2001	2000	2000
Equity/assets ratio	%	29	14	30
Return on capital employed	%	neg.	neg.	neg.
Return on shareholders' equity	%	neg.	neg.	neg.
Shareholders' equity per share	SEK	0.64	1.43	0.66
Result per share	SEK	-0.74	-1.30	-1.03
Operating cash flow per share	SEK	0.28	-0.10	-0.49
Number of shares	Thousand	49 720	49 720	49 720

All key ratios, where appropriate, are based on a rolling 12-month period. This means that both results relating to previous business areas and restructuring costs are included. For the result per share for the period January–March, see the income statement.

This interim report has been prepared in accordance with the Swedish Financial Accounting Standards Council's Recommendation no. 20. The same accounting principles have been used as in the previous year.

This report has not been examined by the company's auditors.

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