SWEDISH ORIENT LINE

Press release, 19 February, 2002
from Svenska Orient Linien AB (publ)

Report on Final Accounts for 2001

- ***Sharp improvement in result. Profit as forecast MSEK 11 (-51) before tax***
- ***Positive tax effect MSEK 17 due to large tax deficit within the group***
- ***All business areas showing a profit***
- ***Profit per share SEK 2.15 (-10.25)***
- ***Return on capital employed 22% (neg.)***
- ***Continued improvement in liquidity and equity/assets ratio 46% (31)***

Operations

Swedish Orient Line's core business is liner shipping between the Nordic countries and the Mediterranean. Since 1 October, 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.

With 90 years of experience and close cooperation with its customers, SOL has professional know-how in shipping, which also represents a potential for continued development.

Consolidated result

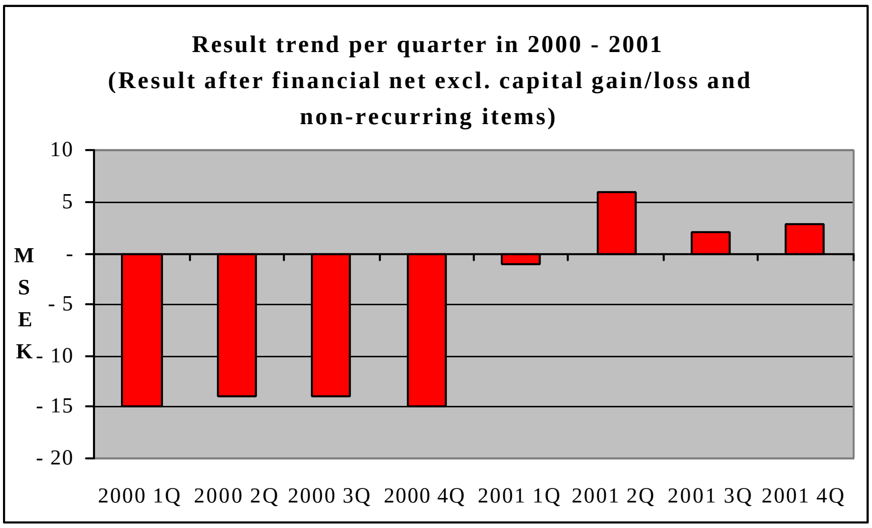
The result continued to improve during the fourth quarter with a profit of MSEK 3 (-31 including MSEK 14 in restructuring costs). Accordingly, the profit for the whole financial year was MSEK 11, which is MSEK 70 better than the previous year if restructuring costs, capital gains and other non-recurring items are eliminated.

The by far major part of the improvement in the result in 2001 was accounted for by the liner service between the Nordic countries and the Mediterranean. The restructuring of the liner operations carried out in the autumn of 2000, among others with the formation of SolNiver Lines, generated higher cargo volumes. Together with higher freight rates and a higher USD/SEK exchange rate, this means that freight revenues in this service rose 20%. However, only a portion of this increase can be seen in the consolidated income statement since SolNiver Lines is consolidated proportionally and the revenues for the RoRo vessels are partly in the form of time-charter hire. The higher cargo volume has also resulted in greater efficiency.

Cargo volumes transported by the subsidiary TransProCon, in the form of international project consignments, rose sharply during the year. This generated a substantial improvement in earnings, which means that TransProCon accounts for a large portion of the consolidated profit.

As a result of the worsening economy in South Africa and the weak South African currency, transport volumes in the container service to South Africa fell during the second half of the year. This, together with the subsequent higher cost of positioning empty containers, resulted in a lower surplus generated by this service. Freight volumes to West Africa, on the other hand, increased during the second half of the year.

Swedish Orient Line’s sale and charter-back of the four RoRo vessels at the end of 2000 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.



Financial position

The positive result trend in 2001 has strengthened SOL’s financial position and liquidity. At year-end, the equity/assets ratio in the Group was 46% compared with 31% on 31 December, 2000.

At year-end, the Group’s liquid funds, including credit facilities, amounted to MSEK 59 (33). During the year, unutilised credit facilities increased by MSEK 7 to MSEK 25. On 31 December, 2001, the Group had no loans or unutilised credit facilities. About MSEK 9 of the total of about MSEK 21 in surplus funds to be repaid by Alecta to the SOL Group were outstanding at year-end and are expected to be paid out in 2002. Investments during the year, mainly in computers and computer systems, amounted to MSEK 2 (2).

As a result of previous years' losses, SOL has substantial losses carried forward, preliminarily at least MSEK 277, which means that the profit for the year will not be subject to any tax. Due to the large tax deficit a tax income and an accrued tax receivable, being MSEK 17, has been accounted for according to the Swedish regulation RR9, which also affects the shareholders equity by the same amount. The calculation has been made as a careful estimate of future taxable incomes.

Decision at Extraordinary General Meeting

Following a decision at an Extraordinary General Meeting in November, 2001, a consolidation of shares was carried out, which meant that 10 old shares were consolidated into one new share by increasing the nominal value of the shares from SEK 2 to SEK 20/share. This required a new issue of 6 shares, which was also approved at the same meeting.

At the same time, as a natural consequence of the restructuring program carried out, the meeting voted in favour of reducing the share capital by MSEK 75 by lowering the nominal value of the shares from SEK 20 to SEK 5 per share. This eliminates the deficit in the non-restricted equity, which thus becomes positive. This decision is currently being registered and is subject to the approval of the District Court.

The meeting also voted in favour of an incentive program for the employees, which will enable them to purchase options with the right to subscribe to shares in Svenska Orient Linien AB during the fourth quarter of 2004 at a price of SEK 20 per share. The maximum number of shares that may be subscribed to in this way is 250,000, which will result in a 5% dilution if the shares are fully subscribed.

Parent Company

The Parent Company's sales amounted to MSEK 53 (15). The operating result before depreciation was MSEK -1 (0) and the result before allocations and tax was MSEK -1 (-31). Total assets were MSEK 92 (77). No investments were made during the year.

Liquid funds, including investments and unutilised credit facilities, totalled MSEK 13 (31 December, 2000: MSEK 13).

Future prospects

The result trend in 2001 shows that the restructuring of the business activities has had the desired effect. A platform based on profitability and an improved financial position has been created for the continued development of Svenska Orient Linien.

Total transport volumes from the Nordic countries to SOL's traffic areas are expected to remain at a relatively good level during the year ahead. Exports to these markets are generally speaking less dependent on economic cycles since, in many cases, there are alternative markets when industry is suffering from overcapacity. The only exception to this is South Africa, where lower import volumes can be anticipated due to its weak economy.

Freight rates are expected to remain unchanged during the year ahead, even though the container market is currently exposed to heavy downward pressure as a result of lower transport volumes and a capacity surplus.

The development of the market for project cargoes is as always hard to predict as it is in general dependent upon short time margins. SOL has however in TransProCon a strong market position and therefore good opportunities.

Accordingly, assuming that the situation in the Middle East does not deteriorate still further, the result is expected to continue to improve in 2002.

Dividend

The board proposes no dividend for the year 2001 as the requirement on non-restricted equity is not fulfilled.

Annual General Meeting

The Annual General Meeting will be held on 23 April, 2002, at 4 p.m. at SOL's office in Gothenburg, Sweden.

Financial information

The Annual Report for 2001 will be distributed at the beginning of April and can be ordered from the Company.

The following information on the Company's business will be published in 2002:

Interim Report, January – March	23 April, 2002
Interim Report, January – June	8 August, 2002
Interim Report, January – September	5 November, 2002
Preliminary Report, 2002	February, 2003
Annual Report, 2002	April, 2003

Gothenburg, 19 February, 2002

SVENSKA ORIENT LINIEN AB (publ)
Board of Directors

Consolidated income statement

All figures in MSEK		**2001 1/10-31/12**	2000 1/10-31/12	**2001 1/1-31/12**	2000 1/1-31/12
Shipping sales		**142**	135	**508**	469
Other operating income		**4**	-2	**5**	21
Operating expenses		**-132**	-132	**-472**	-442
Personnel costs		**-7**	-12	**-26**	-34
Non-recurring items					
Restructuring expenses		**-3**	-14	**-3**	-14
OPERATING RESULT BEFORE DEPRECIATION		**4**	-25	**12**	0
Depreciation		**-1**	-3	**-2**	-26
OPERATING RESULT AFTER DEPRECIATION		**3**	-28	**10**	-26
Financial net		**0**	-3	**1**	-25
RESULT AFTER FINANCIAL NET		**3**	-31	**11**	-51
Tax		**17**	-	**17**	-
RESULT FOR THE PERIOD		**20**	-31	**28**	-51
Result per share	*SEK*	**0.60**	-6.21	**2.15**	-10.24
Number of shares	*thousand*	**4 972**	49 720	**4 972**	49 720
Result/share after full conversion	*SEK*	**0.57**	-	**2.05**	-
Number of shares after full conversion	*thousand*	**5 222**	-	**5 222**	-

Consolidated balance sheet

All figures in MSEK	**2001 31 Dec.**	2000 31 Dec.
ASSETS		
Tangible fixed assets	**5**	6
Intangible fixed assets	**30**	15
Current assets	**3**	4
Current receivables	**64**	64
Liquid funds	**34**	20
TOTAL ASSETS	**135**	109
SHAREHOLDERS' EQUITY AND LIABILITIES		
Shareholders' equity	**62**	33
Provisions	**3**	2
Long-term liabilities	**-**	5
Current liabilities	**71**	69
TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES	**135**	109

Change in consolidated shareholders' equity

All figures in MSEK	**2001 31 Dec.**	2000 31 Dec.
OPENING BALANCE	**33**	59
New share issue	**-**	27
Premium fund	**1**	-
Conversion difference	**-1**	-2
Result for the period	**28**	-51
CLOSING BALANCE	**62**	33

Key ratios and per-share data

		2001 **1/1-31/12**	2000 1/1-31/12
Equity/assets ratio	*%*	**46**	31
Return on capital employed	*%*	**22**	neg.
Return on shareholders' equity	*%*	**23**	neg.
Shareholders' equity per share	*SEK*	**12,41**	6.64
Result per share	*SEK*	**2.15**	-10.84
Operating cash flow per share	*SEK*	**2.60**	-4.90
Number of shares	*thousand*	**4 972**	49 720
Shareholders' equity per share after full conversion	*SEK*	**11,81**	-
Result per share after full conversion	*SEK*	**2.05**	-
Operating cash flow per share after full conversion	*SEK*	**2.48**	-
Number of shares after full conversion	*thousand*	**5 222**	-

When calculating result per share no tax has been included in the calculation as the companies within the group will not be paying taxes for a long time due to the large accrued tax losses. Nor has the tax income of 17 MSEK been included in the calculation but would affect the figures by 3.44 SEK and 3.27 SEK respectively after full conversion. Key ratios for the year 2000 have been recalculated, taking into consideration the reversed split 10:1. For definitions see the annual accounts.

Consolidated cash flow analysis

All figures in MSEK	**2001** **1/1-31/12**	2000 1/1-31/12
Operating result	**9**	-26
Adjustment for items not included in the cash flow	**1**	-8
CASH FLOW FROM OPERATIONS BEFORE CHANGES IN WORKING CAPITAL	**10**	-34
Change in working capital	**7**	-23
CASH FLOW FROM OPERATIONS	**17**	-57
CASH FLOW FROM INVESTMENT ACTIVITIES	**0**	498
CASH FLOW FROM FINANCIAL ACTIVITIES	**-5**	447
CHANGE IN LIQUID FUNDS	**12**	-6
Liquid funds at beginning of period	**20**	26
Exchange rate difference, liquid funds	**2**	0
Liquid funds at end of period	**34**	20

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 where it refers to the result for the fourth quarter.

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