



Press Release 8 August, 2002  
from Svenska Orient Linien AB (publ)

## ***INTERIM REPORT***

### ***January – June, 2002***

- ***Substantially lower transport volumes to the Middle East due to continued escalation of conflict in the region***
- ***Continued positive trend for liner service to southern and West Africa and for project consignments***
- ***Result for the 2<sup>nd</sup> quarter MSEK –4 (2<sup>nd</sup> quarter, 2001: MSEK 7)***
- ***Equity/assets ratio 44% (30)***

#### ***Operations***

Swedish Orient Line's core business is liner shipping between the Nordic countries and the Mediterranean. Since autumn, 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 which SOL, in turn, charters on a long-term basis. The RoRo vessels are 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 agency operations for traffic to and from West Africa as well as international project consignments.

#### ***Consolidated Result***

The continued escalation of the conflict between Israel and Palestine resulted in substantially lower transport volumes to two of SOL's very important markets. This decrease is mainly due to lower volumes of shipments from Finland. This, together with the weaker USD/SEK exchange rate, resulted in shipping sales falling to MSEK 118 (141) during the 2<sup>nd</sup> quarter. As a result of lower freight revenues generated by the service to and from the Mediterranean, the service operated at a loss during the second quarter.

The freight volumes for the liner service to and from southern and West Africa and project consignments were at higher or unchanged levels and the profits posted by both these business areas continued to be good.

The consolidated result for the 2<sup>nd</sup> quarter was MSEK –4 (7) and MSEK –6 (6) for the first six months of 2002.

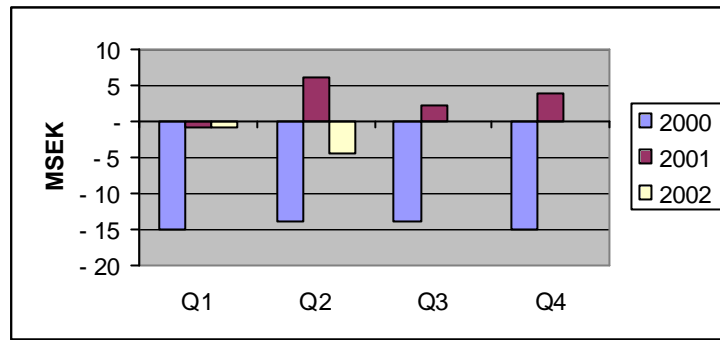
The freight volume reported by the UK subsidiary Transocean Shipping Agency (UK) was lower due to fewer shipments of citrus fruits and potatoes to the UK from the Mediterranean. Consequently, an agreement has been reached to sell the company, which has operated at a loss in recent years. The sale is expected to generate a small profit for the Group.

#### ***Financial position***

On 30 June, consolidated liquid funds, including investments and MSEK 25 in unutilised credit facilities, amounted to MSEK 49 compared with MSEK 59 at the end of last year. The Group had no loans or unutilised credit facilities. Investments during the period January–March amounted to MSEK 2 (1).

On 30 June, the equity/assets ratio in the Group was 44% compared with 46% on 31 December, 2001.

Diagram of the result trend per quarter, 2000–2002



The diagram shows the result after financial net  
excl. capital gain/loss and non-recurring items

### ***Parent Company***

The Parent Company's sales during the period amounted to MSEK 60 (68). The operating result before depreciation was MSEK -9 (0) and the result before allocations and tax was MSEK -9 (0). Total assets were MSEK 87 (94).

Liquid funds, including investments and unutilised credit facilities, totalled MSEK 14 (31 December, 2001: MSEK 16).

### ***Measures to improve earnings***

As a consequence of the effects of the conflict in Israel we have intensified our sales efforts in alternative Mediterranean markets. One result of this is that Istanbul is now included as a regular port of call in our liner service. Furthermore, a program has started which is designed to bring the tonnage and costs in line with the prevailing situation on the Mediterranean service. However, the savings to be achieved by these measures are not expected to have full effect until next year.

### ***Prospects for 2002***

The situation in the Middle East, which has resulted in lower exports from the Nordic countries to Israel and Palestine, is negatively affecting SOL's transport volumes at present. However, the operation of the service has not been affected and remains unchanged. On the other hand, the drawn-out conflict is creating an increasingly large future demand for transportation and necessities.

When and how large this demand will be is, of course, impossible to predict.

The transport volumes to the other parts of the Mediterranean and to southern and West Africa as well as in the project consignment segment are expected to continue to be good and are thus also continue to post good results.

However, as a result of the continuing conflict in the Middle East and the lack of any signs of normalisation in the region in the near future, and despite measures taken to compensate for the loss of revenues and to adjust costs, it will in all likelihood not be possible to compensate for the loss during the first half of the year. Accordingly, a consolidated loss at about the same level as the loss for the first six months is anticipated for the full year.

### ***Next Financial Report***

The Interim Report for the period January–September, 2002, will be published on Tuesday, 5 November, 2002.

Gothenburg 8 August, 2002.

SVENSKA ORIENT LINIEN AB (publ)  
Board of Directors

### Consolidated income statement

<i>All figures in MSEK</i>					
	<b>2002</b>	2001	<b>2002</b>	2001	2001
	1/4-30/6	1/4-30/6	1/1-30/6	1/1-30/6	1/1-31/12
Shipping sales	<b>118</b>	141	<b>236</b>	248	508
Other operating income	<b>0</b>	1	<b>1</b>	1	5
Operating expenses	<b>-115</b>	-127	<b>-228</b>	-230	-472
Personnel costs	<b>-8</b>	-8	<b>-13</b>	-13	-26
Non-recurring items					
Restructuring expenses	-	-	-	-	-3
OPERATING RESULT BEFORE DEPRECIATION	<b>-4</b>	7	<b>-5</b>	6	12
Depreciation	<b>-1</b>	-0	<b>-1</b>	-1	-2
OPERATING RESULT AFTER DERECIATION	<b>-4</b>	7	<b>-6</b>	5	10
Financial net	<b>0</b>	0	<b>0</b>	1	1
RESULT AFTER FINANCIA NET	<b>-4</b>	7	<b>-6</b>	6	11
Tax	-	-	-	-	17
RESULT FOR THE PERIOD	<b>-4</b>	7	<b>-6</b>	6	28
Result per share	<i>SEK</i> <b>-0,90</b>	0,14	<b>-1,15</b>	0,12	2,15
Number of shares	<i>thousand</i> <b>4 972</b>	49 720	<b>4 972</b>	49 720	4 972

### Consolidated balance sheet

<i>All figures in MSEK</i>			
	<b>2002</b>	2001	2001
	<b>June</b>	June	Dec
Tangible fixed assets	<b>6</b>	6	5
Intangible fixed assets	<b>20</b>	9	30
Current assets	<b>4</b>	2	3
Current receivables	<b>75</b>	86	64
Liquid funds	<b>24</b>	29	34
TOTAL ASSETS	<b>129</b>	132	135
SHAREHOLDERS' EQUITY AND LIABILITIES			
Shareholders' equity	<b>56</b>	39	62
Provisions	<b>3</b>	2	3
Long-term liabilities	-	4	-
Current liabilities	<b>70</b>	87	71
TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES	<b>129</b>	132	135

### Change in consolidated shareholders' equity

<i>All figures in MSEK</i>			
	<b>2002</b>	2001	2001
	<b>June</b>	June	Dec.
OPENING BALANCE	<b>62</b>	33	33
Premium fund	-	-	1
Conversion difference	<b>0</b>	-	-1
Result for the period	<b>-6</b>	6	28
CLOSING BALANCE	<b>56</b>	39	62

### ***Key ratios and per-share data***

		<b>2002</b> <b>1/1-30/6</b>	2001 1/1-30/6	2001 1/1-31/12
Equity/assets ratio	%	<b>44</b>	30	46
Return on capital employed	%	<b>neg.</b>	neg.	22
Return on shareholders' equity	%	<b>neg.</b>	neg.	35
EXCLUDING TAX				
Shareholders' equity per share	SEK	<b>11.31</b>	7.84	12.41
Result per share	SEK	<b>-1.15</b>	1.17	2.15
Operating cash flow per share	SEK	<b>-0.93</b>	1.17	2.60
Number of shares	thousand	<b>4 972</b>	49 720	4 972
INCLUDING TAX				
Shareholders' equity per share	SEK	<b>11.31</b>	0.78	12.41
Result per share	SEK	<b>-1.15</b>	1.17	5.58
Operating cash flow per share	SEK	<b>0.93</b>	1.17	2.60
Number of shares	thousand	<b>4 972</b>	49 720	4 972

*The result for the period, excluding non-recurring items, has been used for per-share data. For the period 1/1-30/6 2001, per-share data have been recomputed, taking into consideration the reverse split. No effect of dilution has been calculated since the share price is lower than the subscription price.*

### ***Consolidated cash-flow analysis***

<i>All figures in MSEK</i>	<b>2002</b> <b>1/1-30/6</b>	2001 1/1-30/6	2001 1/1-31/12
Operating result	<b>-6</b>	6	10
Adjustment for items not included in the cash flow	<b>1</b>	-1	-0
CASH FLOW FROM OPERATIONS BEFORE CHANGES IN WORKING CAPITAL	<b>-5</b>	5	10
Change in working capital	<b>-1</b>	5	6
CASH FLOW FROM OPERATIONS	<b>-6</b>	10	16
CASH FLOW FROM INVESTMENT ACTIVITIES	<b>-2</b>	-1	0
CASH FLOW FROM FINANCIAL ACTIVITIES	<b>0</b>	0	-5
CHANGE IN LIQUID FUNDS	<b>-8</b>	9	12
Liquid funds at beginning of period	<b>34</b>	20	20
Exchange-rate difference, liquid funds	<b>-2</b>	0	2
Liquid funds at end of period	<b>24</b>	29	34

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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