



Press release , 7 May, 2003
from Svenska Orient Linien(publ)

INTERIM REPORT

January – March, 2003

- ***MSEK 2 profit as forecast (2002: MSEK 1 loss)***
- ***Improved result due to short-term charters of tonnage and substantially higher freight volumes for subsidiary TransProCon***
- ***Continued low transport volumes to principal markets in Mediterranean service***
- ***As of 10 June, 2003, the company's Series B share will no longer be listed on the Stockholm Stock Exchange***

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 in Sweden. Pol-Levant, which also operates liner traffic between the Nordic countries and the Mediterranean, has a traffic collaboration agreement with SolNiver 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 through Transatlantic Southern Africa Services (TSA). The subsidiary Transatlantic Project & Contract Cargoes (TransProCon) carries out international project consignments and operates tonnage chartered out for contract cargoes

Consolidated Result

Transport volumes to Israel and Palestine continued to fall and were lower than during the corresponding period last year while the northbound cargo flow from the Mediterranean was somewhat better. In combination with the weaker USD/SEK exchange rate, this meant that shipping sales were 24% lower compared with the first quarter of 2002.

A part of the Group's own tonnage has been chartered out externally on a short-term basis in order to adjust capacity to the lower demand for transport in the Mediterranean service. The freight market for this type of tonnage has temporarily been very strong due to the large demand for transportation in conjunction with the war in Iraq and, consequently, these short-term charters have compensated for losses in the regular liner traffic to and from the Mediterranean.

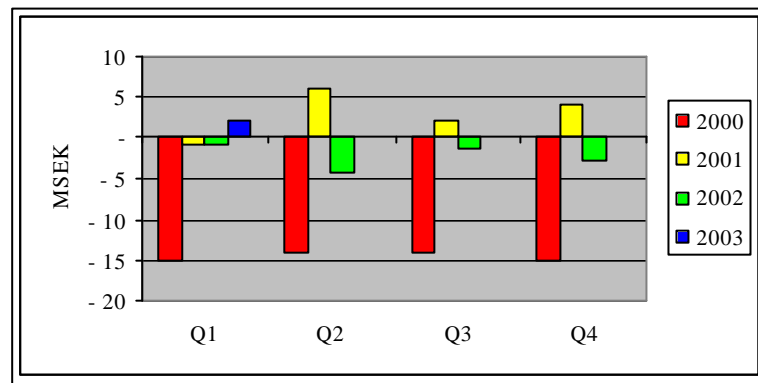
For the liner service to and from South Africa, the period began with large transport volumes, which, later during the period, fell to last year's level.

The freight volumes reported by TransProCon were substantially higher than during the same period last year. This is the main reason for consolidated shipping sales having increased to MSEK 134 (117).

As a result of a part of the RoRo tonnage being chartered out externally and the higher freight volumes reported by TransProCon, the Group was able to post a profit for the first quarter despite an unfavourable exchange-rate trend with the USD falling against both the SEK and the EUR. These exchange rate changes had the effect of reducing the result by MSEK 4 compared with 2002.

The consolidated profit after tax was MSEK 2 compared with a loss of MSEK 1 for the corresponding period, last year.

The result trend per quarter, 2000 – 2003:



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

Financial position

On 31 March, consolidated liquid funds, including investments and MSEK 25 in unutilised credit facilities, amounted to MSEK 40 compared with MSEK 42 at the end of 2002. The Group had no loans or unutilised credit facilities on 31 March. Only marginal investments were made during the period, MSEK 0 (0). Immobilisation of working capital has increased since the end of 2002 due to many ongoing major transport assignments.

On 31 March, the Group's equity/asset ratio was 39% compared with 41% on 31 December, 2002.

Parent Company

The Parent Company's sales during the period amounted to MSEK 29 (31). The lower sales were due to a lower USD/SEK exchange rate than during the same period previous year. The operating result before depreciation was MSEK -2 (-3) and the result before allocations and tax was MSEK -2 (-3) MSEK. Total assets were MSEK 67 (89).

Liquid funds, including investments and unutilised credit facilities, totalled MSEK 4 (31 December, 2002: MSEK 7).

Offer to the shareholders

On 25 March, Swedish Orient Line's four largest shareholders announced that they were making an offer to the other shareholders, via Svenska Orient Linien Intressenter AB (SOL Intressenter), to purchase all the outstanding shares in the Company at a price of SEK 7 per share.

Accordingly, the two independent members of SOL's board of directors, Peter Weitemeyer and Kent Flodberg, ordered and received an independent valuation, a so-called "Fairness Opinion", from Ernst & Young AB on which to base their assessment of the offer. The independent board members have declared that they are in favour of the offer and recommend that it be accepted by the SOL's shareholders.

In a press release on 30 April, SOL Intressenter announced that by the final date for accepting the offer, it had acquired a total shareholding, including the owners' direct shareholdings, equivalent to more than 84% of the votes and 75% of the capital. Accordingly, SOL Intressenter informed that they will proceed with the offer and extend the notification period to 28 May, 2003, for the shareholders who had still not accepted the offer.

Delisting of the company's shares on the Stockholm Stock Exchange

SOL Intressenter's decision to follow through on its offer means that ownership of the company will be further concentrated. This will result in a further reduction in the already low amount of trading in the company's shares. Furthermore, the new ownership structure means that the company will no longer satisfy the listing requirements of the Stockholm Stock Exchange.

In the light of this, the board, in consultation with the Stockholm Stock Exchange, has today terminated the listing agreement with the Stockholm Stock Exchange and reached an agreement that the last day for trading in the company's Series B shares on the Stockholm stock Exchange will be Friday, 6 June, 2003, and that the share will cease to be listed as of Tuesday, 10 June, 2003.

Future prospects

A general weakening of the freight market has taken place in the past few months. At present, it is too early to say whether the market will recover now that the war in Iraq has come to an end. The conflict between Israel and Palestine has yet to be resolved, which means that it is difficult to predict transport volumes to SOL's largest individual market. Cargo volumes in the liner traffic to and from South Africa are expected to continue to be good, although margins will be smaller than in 2002 due to the weak USD.

The market prospects for TransProCon are expected to continue to be good, even though the freight market for RoRo tonnage will in all likelihood be weaker during the rest of the year.

Taken as a whole, this means that it is very difficult to predict developments during the rest of the year. A profit is expected for the second quarter while it is anticipated that the third quarter will produce a loss. However, it is estimated that the result for the full year will be better than in 2002, when the loss was MSEK 10.

Financial information

After delisting, the company will follow the Companies Act when preparing interim reports. Accordingly, the Interim Report for the first six months of 2003 will be available at the Patent and Registration Office (PRV) from 31 August, 2003.

Gothenburg, 7 May, 2003

SVENSKA ORIENT LINIEN AB (publ)
Board of Directors

Consolidated income statement

<i>All figures in MSEK</i>	2003	2002	2002
	1/1-31/3	1/1-31/3	1/1-31/12
Shipping sales	134	117	467
Other operating income	0	-	2
Operating expenses	-126	-113	-450
Personnel costs	-6	-5	-26
OPERATING RESULT BEFORE DEPRECIATION	3	-1	-8
Depreciation	-1	-1	-2
OPERATING RESULT AFTER DEPRECIATION	2	-1	-10
Financial net	0	0	0
RESULT AFTER FINANCIAL NET	2	-1	-10
Tax	-	-	-9
RESULT FOR THE PERIOD	2	-1	-18
Result per share	SEK 0.48	-0.26	-1.99
Number of shares	thousand 4 972	4 972	4 972

Shipping sales by business area

<i>All figures in MSEK</i>	2003	2002	2002
	1/1-31/3	1/1-31/3	1/1-31/12
Mediterranean service	62	75	276
TSA	30	26	107
TransProCon	42	16	84
Shipping sales	134	117	467

Consolidated balance sheet

<i>All figures in MSEK</i>	2003	2002	2002
	31 March	31 March	31 Dec.
ASSETS			
Tangible fixed assets	6	5	7
Intangible fixed assets	12	20	12
Current assets	5	4	5
Current receivables	79	88	66
Liquid funds	15	29	17
TOTAL ASSETS	118	145	107
SHAREHOLDERS' EQUITY AND LIABILITIES			
Shareholders' equity	46	60	44
Provisions	3	3	3
Current liabilities	69	82	60
TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES	118	145	107

Change in consolidated shareholders' equity

<i>All figures in MSEK</i>	2003	2002	2002
	31 March	31 March	31 Dec.
OPENING BALANCE	44	62	62
Conversion difference	-	0	1
RESULT FOR THE PERIOD	2	-1	-18
Closing balance	46	61	44

Consolidated cash-flow analysis

<i>All figures in MSEK</i>	2003	2002	2002
	1/1-31/3	1/1-31/3	1/1-31/12
Operating result	2	-1	-10
Adjustment for items not included in the cash flow	1	0	5
CASH FLOW FROM OPERATIONS BEFORE CHANGES IN WORKING CAPITAL	3	-1	-5
Change in working capital	-5	-3	-6
CASH FLOW FROM OPERATIONS	-2	-4	-11
CASH FLOW FROM INVESTMENT ACTIVITIES	0	0	-4
CASH FLOW FROM FINANCING ACTIVITIES	0	0	0
CHANGE IN LIQUID FUNDS	-2	-4	-15
Liquid funds at beginning of period	17	34	34
Exchange-rate differences, liquid funds	0	-1	-2
Liquid funds at end of period	15	29	17

Key ratios and per-share data

		2003	2002	2002
		1/1-31/3	1/1-31/3	1/1-31/12
Equity/assets ratio	%	39	41	41
Return on capital employed	%	19	neg	neg
Return on shareholders' equity	%	19	neg	neg
EXCLUDING TAX				
Shareholders' equity per share	SEK	9.28	12.13	8.79
Result per share	SEK	0.48	-0.26	-1.99
Operating cash flow per share	SEK	0.59	-0.15	-1.52
Number of shares	thousand	4 972	4 972	4 972
INCLUDING TAX				
Shareholders' equity per share	SEK	9.28	12.13	8.79
Result per share	SEK	0.48	-0.26	-3.72
Operating cash flow per share	SEK	0.59	-0.15	-1.52
Number of shares	thousand	4 972	4 972	4 972

*The result for the period, excluding non-recurring items, has been used for per-share data.
No effect of dilution has been calculated since the share price is lower than the subscription price of the option.*

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.

For further information, please contact Kent Flodberg, President, or
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