



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, with head offices in Göteborg, Sweden.

Press Release

Broström discloses the information provided herein pursuant to the Securities Markets Act and/or the Financial Instruments Trading Act. The information was submitted for publication at 07.00 on 27 August 2008.

INTERIM REPORT 1 JANUARY - 30 JUNE 2008

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

- **Volatile and weak freight market during most of the second quarter 2008**
 - European business experienced a weak start to the second quarter, but ended with an improvement although primarily for large tonnage.
 - Atlantic business basically followed the same market pattern as the European business.
 - For large tonnage in the Asian business, the freight market was relatively weak for almost the entire second quarter.
 - Small tonnage in the Asian business had continued stable development.
- **Profit after net financial items for the second quarter SEK 73 m (247). This includes SEK 66 m (107) of capital gains related to sales of vessels and dissolution of negative goodwill (only in 2007).**
 - Net sales were SEK 912 m (915).
 - Profit after tax was SEK 71 m (236).
 - Earnings per share totalled SEK 1.12 (3.60).
- **Profit after net financial items for the first six months SEK 75 m (419). This includes SEK 66 m (109) of capital gains related to sales of vessels and dissolution of negative goodwill (only in 2007).**
 - Net sales were SEK 1,784 m (1,841).
 - Profit after tax was SEK 77 m (386).
 - Earnings per share were SEK 1.21 (5.86).
 - Return on capital employed was 4.9% (15.5).
- **Cash flow and disposable liquidity**
 - Cash flow per share was SEK 3.24 (8.75).
 - Disposable liquidity amounted to SEK 703 m (993 on 31 December 2007).
 - The dividend payout was SEK 191 m.
- **Change in transport capacity during the second quarter**
 - The BRO ERIK (37,000 dwt) was delivered to Broström's partner Furetank in May 2008.
 - The CPO FRANCE and the CPO SWEDEN (both 37,000 dwt) were delivered to Broström's partner Claus-Peter Offen. The vessels are now trading in Broström's European sector.
 - The EXCELLO (19,500 dwt) was delivered to Broström's partner Donsötank and is now operating in Broström's European sector.
- **Outlook for 2008**

The market improvement – primarily for large tonnage – that took place at the end of the second quarter continued into the third quarter of 2008. Broström's strategic position for 2008 and onward has been strengthened through acquisitions and investments made in recent years. The trend in transport for the years immediately ahead in Broström's market segment is currently difficult to judge. However, in the coming years, a large volume of new tonnage will be added to the market. The high price of oil has brought about a greater urgency to reduce dependency on oil and growth forecasts for oil consumption have been adjusted downward. Broström believes that major fluctuations will take place from period to period in both transport volume and freight rates.

SEK m	6 months		Second quarter		Full year
	2008	2007	2008	2007	2007
Net sales	1,783.5	1,841.2	911.9	915.1	3,504.0
Operating profit (EBIT)	176.2	520.0	117.4	301.9	663.6
Profit after net financial items	74.6	419.2	72.5	246.8	450.4
Profit for the period	76.8	386.3	70.7	235.7	426.5
Investments	581.0	656.2	102.5	518.7	1,082.1
Cash flow from operating activities	206.2	567.9	173.3	325.3	745.9
Disposable liquidity	703.3	1,298.9			993.4
Return on capital employed, %	4.9	15.5			9.8
Equity/assets ratio II, %	28.9	32.0			30.9
Profit before tax per share, SEK	1.17	6.46	1.14	3.82	6.97
Net profit per share, SEK	1.21	5.86	1.12	3.60	6.50
Net profit per share after dilution, SEK	1.21	5.86	1.12	3.60	6.50
Cash flow from operating activities per share, SEK	3.24	8.75	2.73	5.03	11.55
Average number of shares excluding treasury shares	63,552,584	64,940,662	63,543,184	64,581,184	64,585,026
Average number of treasury shares	2,244,600	856,522	2,254,000	1,216,000	1,212,158

ACTIVITIES

Market overview

First quarter

An unusually mild winter in the major consumer areas in Europe and North America resulted in lower demand for shipments of fuel oil in the European and trans-Atlantic trades.

Apart from the general market downturn, outbound volumes from the Baltic were adversely affected by lower volumes of oil products from Russia.

Low refinery margins have generally resulted in lower utilisation of refinery capacity, which in turn has resulted in lower transport flows. The low refinery margins have also prompted decisions to bring forward certain planned maintenance.

Uncertainty about the movement of oil prices, combined with uncertainties in the financial markets, has prompted players involved in oil trading to adopt a wait-and-see attitude. The trend in Southeast Asia was also characterised by a volatile and steadily weakening freight market.

Second quarter

The second quarter commenced with a continued weak freight market, but ended with an improvement especially for large tonnage operating in the European and trans-Atlantic sectors. An increase in imports to the USA ahead of the approaching summer season and a continued rising need of transport caused by increasingly widening regional imbalances in supply and demand for various oil products had a favourable impact on the freight market.

The freight market in Asia largely followed the same development as other markets, and also strengthened towards the end of the period. China's greater need of imports had a positive effect on the market. An increase in imports by Australia as a result of an explosion in an energy facility also contributed to the improved market development.

Supply and demand in the oil energy sector have largely been in balance for some time. Consequently, even relatively small disruptions in the production and distribution chain have a rapid impact on the freight market. As a result, spot market prices for shipments have been fluctuating and will continue to fluctuate sharply in the coming years. Shipments are increasingly made over longer distances to even out regional imbalances and disruptions in the

production and consumption areas. Over time, this is having a favourable impact on the shipping sector, with a greater need for shipments and growth that is outpacing consumption.

The high price of oil has created a greater urgency to reduce dependency on oil and growth forecasts for oil consumption have been adjusted downward.

The shipyards' orderbooks remain very well-filled, and newbuilding prices continue to be high from a historical perspective. No significant flattening of price levels has been noted which could signal a break in this trend. In Broström's market segments, single-hulled tankers still account for approximately 30% of the world fleet

Development for Broström

First quarter

The first quarter was generally characterised by a continued weak freight market in Broström's segments.

With a large share of Broström's European fleet that is designed to operate under difficult ice conditions, the market conditions were unfavourable due to mild weather. Severely reduced flows of Russian fuel oil as a result of new EU rules on sulphur content, among other things, led to a sharp decline in volumes in the Intermediate segment and thus downward pressure on freight rates.

Broström's Asian business, which underwent strong expansion in 2007 – entailing a more than doubling of the fleet – had relatively stable development during the first quarter, despite a weak underlying market primarily for large tonnage. As part of the ongoing expansion of the Asian operations, the BRO JOINVILLE (13,000 dwt) was moved at the end of 2007 from Broström's European traffic to Broström's Asian traffic, and the vessel now sails under the Singaporean flag.

The two new vessels that were built at Turkish shipyards and which joined the European fleet were delivered in a period with a weak freight market. As a result, the positioning voyages from the Turkish yards had a negative earnings impact.

Development of Broström's Atlantic traffic was relatively stable and, owing to the character of contracts of affreightment, was less affected by the generally weak market.

Second quarter

The second quarter started out with a very weak freight market in essentially all areas in which Broström is active, which had a severe impact on earnings. The freight market improved toward the latter part of the period, which mainly affected large tonnage in Broström's European and trans-Atlantic fleet.

A slight upturn was noted towards the end of the period also for large tonnage in Broström's Asian traffic, which was further strengthened during the start of the third quarter.

For small tonnage in Broström's Asian traffic, the trend during the period remained stable. Another vessel that has traded in Broström's European sector is on its way to being redeployed in Broström's Asian traffic. The transfer of this vessel to Asia is being made possible by recent and future newbuildings for the European fleet.

The steady weakening of the US dollar and continued high bunker prices had a negative impact on earnings for the first and second quarters. The effect of the weaker dollar is greatest for European tonnage, where a large share of the operational expenses is paid in European currencies.

The expansion that has taken place in the commercial fleet in recent years and which continues to take place in 2008 is enabling steady improvements in scheduling and capacity utilisation of the aggregate fleet at Broström's disposal. As part of this, in 2008 Broström's trans-Atlantic fleet was expanded with three of the MR vessels that previously sailed in Broström's Asian traffic.

This expansion is also enabling Broström to gradually increase its service offer to customers and thereby create opportunities for a broader contract portfolio.

On the whole, the outcome of the renewals of contracts of affreightment made during the first and second quarters has been favourable. An increasingly greater focus on reliability and degree of service has been noted – something that is coming into higher demand in a turbulent market. In this context, the size of Broström's commercial fleet, combined with the company's global presence, provides security for customers and a competitive edge for Broström. During the second quarter of 2008, a large share of the contracts that Broström has for small vessels in Asian traffic was renewed.

Activity has been high at most ports at which the Broström Agency Network is represented. Earnings continue to be favourable.

Changes in the fleet

First quarter

In January the newly built GAN-SABRE (51,000 dwt) was delivered to her owner, Dünya Shipping. The vessel is commercially operated in Broström's Asian MR fleet.

The BRO ANNA and the BRO AGNES (17,000 dwt) were delivered during the first quarter from the shipyard in Turkey and are now operating in Broström's European traffic.

Second quarter

In March, Broström reached an agreement with its partner Furetank Rederi AB to extend the co-operation into the Handy size segment through the sale of the BRO ERIK (37,000 dwt, built in 2005) product tanker to Furetank. The sale, which was completed at the end of May 2008, gave rise to a pre-tax gain of SEK 66 m and a cash contribution of SEK 136 m. The vessel, which has been renamed as the FUREVIK, is operated commercially by Broström in its European traffic.

During the second quarter, the vessels CPO FRANCE and CPO SWEDEN (both 37,000 dwt) and the first two vessels in a series of eight, were delivered to Broström's partner Claus-Peter Offen. The vessels are operated commercially by Broström in its European sector.

During the same quarter the vessel EXCELLO (19,500 dwt) was delivered to Broström's partner Donsötank. The vessel will be operated commercially by Broström in its European sector.

Surplus value of fleet

To help the market assess Broström's financial position, external appraisals of the fleet owned by Broström have been ordered. These valuations have also been used to estimate the value of existing newbuilding contracts and existing call options on vessels that Broström has at its disposal. Due to the limited number of second hand vessels being sold lately there is an unusual uncertainty related to the current valuations. Appraisals have been received from two external appraisers, and the average of these appraisals has been used as the value. Their combined average value, and taking into account the estimated value of existing newbuilding contracts, exceeds the book value of these units in the Group as per 30 June

2008 by approximately SEK 2.25 bn (USD 376 m). The surplus value at 31 December 2007 was SEK 2.7 bn (USD 417 m).

Tonnage tax

Broström's European fleet sails primarily under Swedish, French and Dutch flags. For a number of years the French and Dutch fleets have been affiliated with the tonnage tax system in their respective countries, in accordance with EU maritime policies.

In Sweden a study of the introduction of a tonnage tax was published in early 2006. The proposal set forth by the study calls for Sweden to also adopt the EU's maritime policies and thereby achieve competitive neutrality with respect to other maritime nations within the EU. Since presentation of the study's proposal, nothing has happened in principle and no decisions have been made. Nor has any clear indication been provided by the authorities concerned that would give reason to believe that Sweden will be adopting a tonnage tax.

Over the long term, the lack of a tonnage tax system for Swedish shipping, which if adopted would result in competitive neutrality with respect to other EU countries, renders impossible any increased investments in vessels sailing under the Swedish flag in the market segments in which Broström is active. Against this background, Broström does not intend to operate its newbuildings on order or acquired vessels under the Swedish flag. Instead, for reasons of strict competitive neutrality, these vessels will operate mainly under another EU flag.

Of the total deferred tax liability on the balance sheet as per 30 June 2008, amounting to SEK 444.3 m, SEK 414.5 m is attributable to the Swedish shipping operations.

SIGNIFICANT RISKS AND UNCERTAINTY FACTORS

The risks that affect Broström in its operating environment are economic cycle dependency, freight rates, political factors, oil prices, and risks associated with war and terrorism. Operational risks include vessel operations, risks associated with expansion and investment, and risks related to employees.

In the course of its operations the Group is exposed to various financial risks: market risk, credit risk, liquidity risk, currency risk and interest rate risk. The Group's overall risk man-

agement policy focuses on predictability in the financial markets and strives to minimise potentially unfavourable effects on the Group's financial results.

In Broström's opinion, nothing of material significance has happened which affects the assessment of risks and uncertainties reported in the 2007 Annual Report. For further information, please refer to the "Risk factors and sensitivity analysis" section on page 42 of the 2007 Annual Report and the "Financial risk management" discussion on page 62.

GROUP FINANCIAL RESULTS

Second quarter 2008

Consolidated net sales during the second quarter amounted to SEK 911.9 m (915.1).

Operating profit for the Group was SEK 117.4 m (301.9).

The figures for the quarter include capital gains of SEK 65.6 m (0) on sales of vessels. In addition, earnings in the second quarter 2007 included dissolution of negative goodwill, totalling SEK 106.7 m, which arose in connection with the acquisition of Petroships Group.

January - June 2008

Net sales of the Group for the period amounted to SEK 1,783.5 m (1,841.2).

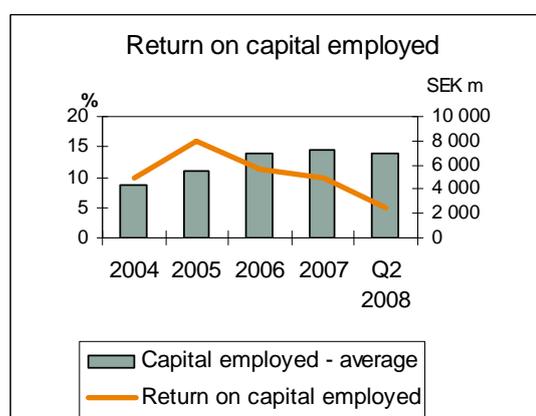
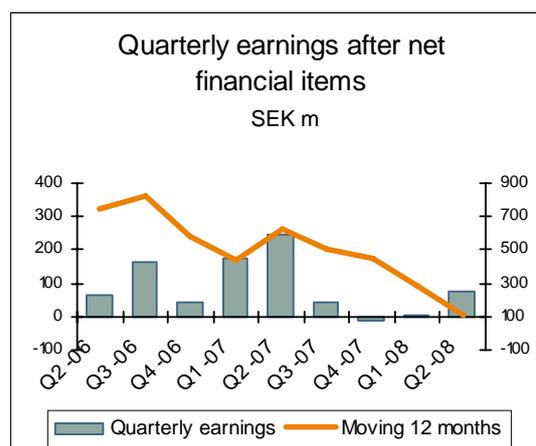
The share in associated companies' profit was SEK 3.3 m (2.5).

Operating profit was SEK 176.2 m (520.0).

The figures for the period include capital gains of SEK 65.6 m (2.0) on sales of vessels. In addition, earnings in 2007 included dissolution of negative goodwill, totalling SEK 106.7 m, which arose in connection with the acquisition of Petroships Group in the same year.

Net interest expense amounted to SEK -97.9 m (-101.2). Net financial items amounted to SEK -101.6 m (-100.8), which resulted in a profit of SEK 74.6 m (419.2) after net financial items. The return on capital employed was 4.9% (15.5).

Tax expenses during the period amounted to SEK 2.2 m (-32.9). Current tax amounted to SEK -0.7 m (-2.0).



MAJOR DEVELOPMENTS AFTER THE PERIOD

At the end of July, the BRO ALMA (17,000 dwt) was delivered from the shipyard in Turkey. She is now operating in Broström's European traffic.

During July and August, the vessels CPO GERMANY and CPO FINLAND (both 37,000 dwt) and part of a series of eight vessels, were delivered to Broström's partner Claus-Peter Offen. The vessels are operated commercially by Broström in its European sector.

OUTLOOK

The start of the third quarter has been characterised by the market improvement primarily for large tonnage that took place at the end of the second quarter.

Broström's strategic market position has been further strengthened as a result of investments and acquisitions entered into in recent years.

The trend in transport for the years immediately ahead in Broström's market segment is currently difficult to judge. However, in the coming years, a large volume of new tonnage will be added to the market. The high price of oil has created a greater urgency to reduce dependency on oil and growth forecasts for oil consumption have been adjusted downward. Broström believes that major fluctuations will take place from period to period in both transport volume and freight rates.

The underlying long-term trend for transport developments in Broström's market segments is judged to be positive, even though major fluctuations may take place in both transport volumes and freight levels between various periods.

The anticipated expansion of refinery capacity will mainly be in Asia. However, as a result of this, it is expected that shipments will be made over ever-greater distances and that regional imbalances will widen further. The rapidly growing Asian economies and investment in more environmentally friendly alternatives in the developed economies are contributing to high demand for shipments of oil and chemical products.

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

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. However, Broström hold to the view that this addition of tonnage will be partly offset by the major need for replacement tonnage caused by the scrapping of single-hulled vessels and the rising demand for shipments caused by structural changes in the market. However, in the years immediately ahead, developments in the global economy and in oil consumption will be of decisive significance for movements in freight rates.

The value of the US dollar relative to the Swedish krona is an uncertainty 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 period amounted to SEK 581.0 m (656.2). Divestments totalled SEK 292.0 m (88.8).

Of total investments, SEK 576.5 m (204.1) pertained to vessels and newbuilding contracts.

Acquired and newly delivered vessels in 2008

Name	Built	Dwt	Owner-Ship *	Partner
BRO ANNA	2008	17,000	100%	
BRO AGNES	2008	17,000	100%	
CPO FRANCE	2008	37,000	C/M	Offen
CPO SWEDEN	2008	37,000	C/M	Offen
GAN-SABRE	2008	51,000	C/M	Dünya
EXCELLO	2008	19,500	C/M	Donsötank

C/M = Commercial Management

For further information on investments and sales of vessels in 2008, see the section "Changes in the fleet" on page 4.

Newbuildings on order on 30 June 2008

Name	Delivery	Dwt	Ownership	Partner
BRO ALMA	2008	17,000	100%	
GAN-SKY	2009	17,000	C/M	Dünya
CPO GERMANY	2008	37,000	C/M	Offen
CPO NORWAY	2008	37,000	C/M	Offen
CPO RUSSIA	2008	37,000	C/M	Offen
CPO ITALY	2008	37,000	C/M	Offen
CPO FINLAND	2008	37,000	C/M	Offen
CPO ENGLAND	2008	37,000	C/M	Offen
NB 386	2009	7,500	50%	Thun
NB 387	2009	7,500	50%	Thun

Broström's updated fleet list can be found at www.brostrom.com.

CASH FLOW

Cash flow from operating activities amounted to SEK 206.2 m (567.9), or SEK 3.24 (8.75) per share.

FINANCIAL POSITION AND LIQUIDITY

The Group's disposable liquidity on the balance sheet date amounted to SEK 703.3 m (993.4 on 31 December 2007). This amount includes SEK 52.6 m (52.6) in unutilised overdraft facilities.

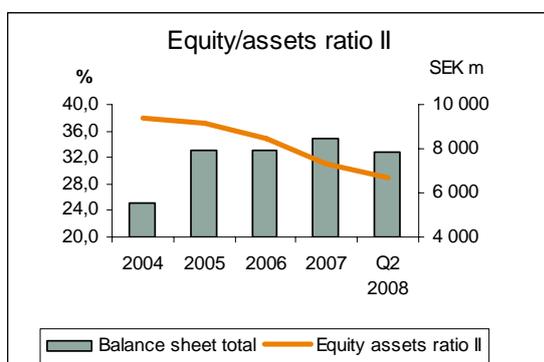
A dividend of SEK 190.6 m was paid to the shareholders in May.

Net debt increased during the period from SEK 3,640.0 m to SEK 3,663.8 m.

Shareholders' equity on the balance sheet date amounted to SEK 2,176.0 m (2,499.1 on 31 December 2007), and the equity/assets ratio I was 27.7% (29.4). The equity/assets ratio II was 28.9% (30.9).

As per 30 June 2008, Broström has repurchased 2,254,000 Class B treasury shares at an average price of SEK 65.23.

It should be noted that in connection with the adoption of IFRS, the company has decided not to restate the book value of its vessels to market values.



PLEGGED ASSETS AND CONTINGENT LIABILITIES

Pledged assets decreased since the start of the year by SEK 204.3 m and amount to SEK 5,611.8 m (5,816.1 on 31 December 2007). Contingent liabilities increased by SEK 9.3 m since the start of the year and amount to SEK 75.4 m (66.1 on 31 December 2007).

WARRANT PROGRAMMES

As per 30 June 2008 Broström has two share warrant programmes in effect that were introduced in 2005 and 2007. The programmes

were offered to all permanent employees of the Group as well as to employees of partly owned companies in which Broström's ownership is 50% or more.

The number of warrants in the warrant programmes has been recalculated in accordance with the rules that apply for a stock split. On 4 June 2007 Broström carried out a 2:1 split, which is why the number of warrants has doubled compared with the previously reported number of shares, and the price per share has been halved.

The warrant programme from 2005 consists of two warrant series with exercise dates in September 2007 and September 2008, respectively. Each employee was entitled to 2,500 warrants. If the programme was not fully subscribed, an additional maximum of 197,500 warrants could be subscribed. The price of each warrant was SEK 3.13 in series 2005:1 and SEK 4.25 in series 2005:2. Each warrant entitles its bearer to subscribe for one share at the exercise price of SEK 78.60. The warrants that were not granted in 2005 were offered to future new employees. One such offer was made in autumn 2006. The price was SEK 5.35 for each warrant in series 2005:1 and SEK 8.40 exercise for each warrant in series 2005:2. At the date in September 2007 Broström's share price was below the exercise price of SEK 78.60, and thus the warrants in series 2005:1 expired without value. As per 30 June 2008, 397,800 warrants had been subscribed, 400,000 have expired and 1,200,000 had been cancelled. A total of 2,200 warrants were unsubscribed.

Subscribed warrants in the warrant programme entail an increase in the total number of shares and votes by 0.6% and 0.4%, respectively.

There was no dilutive effect in terms of value on the balance sheet date.

The warrant programme from 2007 consists of two warrant series with exercise dates in September 2009 and September 2010, respectively. Each employee was entitled to 2,500 warrants. If the programme was not fully subscribed, an additional maximum of 197,500 warrants could be subscribed. The price of each warrant was SEK 3.80 in series 2007:1 and SEK 5.10 in series 2007:2. Each warrant entitles its bearer to subscribe for one share at the exercise price of SEK 98.10. As per 30 June 2008, 419,400 warrants had been subscribed and 1,300,000 had been cancelled. A total of 280,600 warrants were unsubscribed.

Subscribed warrants in the warrant programme entail a 1.0% increase in the number of shares and 0.7% increase in the number of votes.

There was no dilutive effect in terms of value on the balance sheet date.

STAFF

The number of employees has not changed significantly compared with the number reported as per 31 December 2007.

RELATED PARTY TRANSACTIONS

There are no transactions with related parties which have essentially affected the company's balance and result during 2008. Transactions with related parties during 2007 are reported in Note 32 in the Annual Report 2007.

PARENT COMPANY

The activities of the parent company, Broström AB, consist mainly of Group management and

administration of joint activities for the Group. As from 2008 the land-based employees in the shipping companies in Sweden are employed in the parent company, and due to this the net sales have increased. The assets consist mainly of shares in subsidiaries and short-term liquid investments.

ACCOUNTING PRINCIPLES

This interim report has been prepared in accordance with IAS 34 Interim Financial Reporting.

Since 1 January 2005 the Broström Group has applied International Financial Reporting Standards (IFRS) as adopted by the EU, along with the additional rules stipulated by recommendation RFR 1.1 of The Swedish Financial Reporting Board. The Group has applied the same accounting principles and calculation methods in the preliminary report as in its most recent annual report.

FUTURE REPORTS

Broström will release financial reports on the following dates in 2008 and 2009:

6 November 2008	Interim report nine months 2008
24 February 2009	Preliminary Report 2008
29 April 2009	Interim Report first quarter 2009 and Annual General Meeting
28 August 2009	Interim Report second quarter 2009
6 November 2009	Interim Report third quarter 2009

The Board of Directors and the Managing Director certify that the interim report gives a true and fair overview of the Parent Company's and Group's operations, their financial position and results of operations, and describes significant risks and uncertainties facing the Parent Company and other companies in the Group.

Göteborg, 27 August 2008

BROSTRÖM AB (publ)

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Chairman of the Board

Stig-Arne Blom
Director

Peter Cowling
Director

Carel van den Driest
Director

Claes Lundblad
Director

Leif Rogersson
Director

Fredrik Svensson
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Wilhelm Wilhelmsen
Director

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Employee Representative

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

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

INCOME STATEMENTS, GROUP

SEK m	6 months		Second quarter		Full year
	2008	2007	2008	2007	2007
Net sales	1,783.5	1,841.2	911.9	915.1	3,504.0
Capitalised work for own account	-	0.5	-	-	0.5
Other income *	66.7	119.4	66.0	112.2	142.5
Share in associated companies' profit after tax	3.3	2.5	1.3	2.3	11.9
External expenses	- 1,191.9	- 993.1	- 616.3	- 492.0	- 2,075.2
Personnel costs	- 292.3	- 269.6	- 148.7	- 137.9	- 546.7
Depreciation	- 193.1	- 180.9	- 96.8	- 97.8	- 373.4
Operating profit (EBIT)	176.2	520.0	117.4	301.9	663.6
Financial income	- 4.7	35.6	7.9	14.6	44.6
Financial expenses	- 96.9	- 136.4	- 52.8	- 69.7	- 257.8
<i>Net financial items</i>	<i>- 101.6</i>	<i>- 100.8</i>	<i>- 44.9</i>	<i>- 55.1</i>	<i>- 213.2</i>
Profit after net financial items	74.6	419.2	72.5	246.8	450.4
Tax on profit for the period	2.2	- 32.9	- 1.8	- 11.1	- 23.9
Profit for the period	76.8	386.3	70.7	235.7	426.5
Profit for the period attributable to					
Equity holders of the parent	76.7	380.3	71.0	232.8	419.8
Minority interest	0.1	6.0	-0.3	2.9	6.7
Earnings per share, SEK	1.21	5.86	1.12	3.60	6.50
Earnings per share after dilution, SEK	1.21	5.86	1.12	3.60	6.50
Average exchange rate SEK/USD	6.13	6.94	5.99	6.87	6.76
Average exchange rate SEK/EUR	9.38	9.22	9.35	9.26	9.25

* Of which dissolution of negative goodwill. The remaining part is mainly related to sales of vessels and operations.

BALANCE SHEETS, GROUP

SEK m	30 June 2008	31 December 2007
ASSETS		
<i>Non-current assets</i>		
Goodwill	114.5	119.8
Other intangible assets	1.9	2.2
Tangible assets	6,151.9	6,463.7
Participations in associated companies	83.2	81.4
Other financial assets	7.2	23.6
<i>Total non-current assets</i>	6,358.7	6,690.7
<i>Current assets</i>		
Inventories	96.8	113.6
Current receivables	526.0	516.7
Derivative instruments	2.8	-
Short-term investments	226.1	233.6
Cash and cash equivalents	650.7	940.8
<i>Total current assets</i>	1,502.4	1,804.7
Total assets	7,861.1	8,495.4
SHAREHOLDERS' EQUITY AND LIABILITIES		
Shareholders' equity ¹⁾	2 176.0	2,499.1
<i>Non-current liabilities</i>		
Deferred tax	444.3	478.4
Other non-current liabilities, noninterest-bearing	118.7	144.5
Non-current liabilities, interest-bearing ²⁾	3 975.4	4,167.3
<i>Total non-current liabilities</i>	4 538.4	4,790.2
<i>Current liabilities</i>		
Current liabilities, interest-bearing ²⁾	565.1	647.2
Current liabilities, noninterest-bearing	581.6	558.9
<i>Total current liabilities</i>	1,146.7	1 206.1
Total liabilities and shareholders' equity	7,861.1	8 495.4
Pledged assets	5,611.8	5 816.1
Contingent liabilities	75.4	66.1
Closing date exchange rate SEK/USD	5.98	6.47
Closing date exchange rate SEK/EUR	9.45	9.47
¹⁾ Of which, minority interest	18.1	31.7
²⁾ Of which, financial leasing	383.0	425.1

CHANGES IN SHAREHOLDERS' EQUITY, GROUP

SEK m	6 months		Full year
	2008	2007	2007
According to balance sheet, most recent year-end closing	2,499.1	2,606.4	2,606.4
Exchange rate differences	- 200.4	8.3	- 132.9
Derivative instruments, cash flow hedges	2.8	-	-
Total transactions reported directly against equity	2,301.5	2,614.7	2,473.5
Profit for the period	76.8	386.3	426.5
Total reported income and expense	2,378.3	3,001.0	2,900.0
Share repurchases	- 11.7	- 84.9	- 135.4
Dividend to shareholders and minority holders	- 190.6	- 258.3	- 261.7
Change in minority share	-	-	- 5.7
New share issue, warrant premiums	-	1.9	1.9
Amount at the end of the period	2,176.0	2,659.7	2,499.1

The exchange rate difference for the period is mainly due to changes in the USD relative to the Swedish krona. USD is the functional currency for the main subsidiaries in the Group.

CASH FLOW STATEMENTS, GROUP

SEK m	6 months		Full year
	2008	2007	2007
OPERATING ACTIVITIES			
Operating profit	176.2	520.0	663.6
Adjustments for non cash items, etc.	86.8	16.7	131.7
Financial items	- 90.4	- 80.8	- 169.6
Paid tax	- 0.7	- 2.0	- 3.0
Change in working capital	34.3	114.0	123.2
Cash flow from operating activities	206.2	567.9	745.9
INVESTING ACTIVITIES			
Purchases of non-current assets	- 587.0	- 210.1	- 882.8
Sales of non-current assets	292.0	88.8	104.5
Acquisitions of subsidiaries/associated companies	-	- 311.0	- 347.3
Sales of subsidiaries/associated companies	-	-	3.0
Change in other financial non-current assets	16.4	0.1	1.5
Cash flow from investing activities	- 278.6	- 432.2	- 1,121.1
FINANCING ACTIVITIES			
Dividend to shareholders	- 190.6	- 258.3	- 258.3
Dividend to minority holders	-	-	- 3.4
Share repurchases	- 11.7	- 84.9	- 135.3
New share issue, warrant premiums	-	1.9	1.9
New loans	423.1	576.2	1,031.6
Repayment of loans	- 391.2	- 173.5	- 327.6
Cash flow from financing activities	- 170.4	61.4	308.9
Cash flow for the period	- 242.8	197.1	- 66.3
Cash and cash equivalents and short-term investments			
Opening balance	1,174.4	1,283.4	1,283.4
Cash flow for the period	- 242.8	197.1	- 66.3
Exchange rate difference	- 54.8	3.1	- 42.7
Cash and cash equivalents and short-term investments, closing balance	876.8	1,483.6	1,174.4

SHARE DATA

Per-share data	6 months		Full year	Full year
	2008	2007	2007	2006
Earnings, SEK	1.21	5.86	6.50	7.57
Earnings after dilution, SEK	1.21	5.86	6.50	7.57
Shareholders' equity, SEK	33.96	40.35	38.20	39.36
Shareholders' equity after dilution, SEK	33.96	40.35	38.20	39.36
Cash flow from operating activities, SEK	3.24	8.75	11.55	13.05
Cash flow for the period, SEK	- 3.82	3.03	- 1.03	- 0.74
Share price on balance sheet date, SEK	43.00	72.75	49.80	75.00

Number of shares

Number of shares excluding treasury shares, closing date	63,543,184	64,581,184	63,776,184	65,797,184
Number of treasury shares	2,254,000	1,216,000	2,021,000	-
Average number of shares outstanding excluding treasury shares	63,552,584	64,940,662	64,585,026	65,395,814
Average number of treasury shares	2,244,600	856,522	1,212,158	-
Number of outstanding warrants	1,100,000	2,800,000	1,100,000	800,000
Number of dilution shares	-	-	-	2,264
Total number of shares after dilution including treasury shares at end of period	65,797,184	65,797,184	65,797,184	65,799,448
Average shares after dilution including average treasury shares at end of period	65,797,184	65,797,184	65,797,184	65,398,078

KEY RATIOS

	6 months		Full year	Full year
	2008	2007	2007	2006
Return on capital employed, %	4.9	15.5	9.8	11.3
Return on shareholders' equity, %	6.7	28.9	16.3	18.6
Debt/equity ratio, multiple	1.7	1.3	1.5	1.2
Interest cover ratio, multiple	1.8	4.1	2.7	3.8
Equity/assets ratio I, %	27.7	30.1	29.4	32.8
Equity/assets ratio II, %	28.9	32.0	30.9	35.0
Share of risk-bearing capital, %	34.5	37.8	36.6	41.1

LARGEST SHAREHOLDERS

Owner	Number of		Percentage of	
	A shares	B shares	capital	votes
30 June 2008				
Arvid Svensson Invest AB	2,075,968	10,027,692	18.4	29.6
The Dreijer families	1,469,908	3,124,110	7.0	17.1
Odin Fonder, Oslo		5,733,326	8.7	5.5
The Björnram families	343,680	443,159	1.2	3.7
Lennart Simonsson	192,084	412,540	0.9	2.2
Broström AB		2,254,000	3.4	2.2
Kenneth Nilsson	169,816	534,144	1.1	2.1
JP Morgan		1,478,896	2.3	1.4
LGT Bank in Liechtenstein		1,035,415	1.6	1.0
Michael Hjortböl		970,560	1.5	0.9
Other**		35,531,886	53.9	34.3
Total	4,251,456	61,545,728	100.0	100.0

**Including non-Swedish nominee shareholders where individual holdings are not officially registered.
For definitions, please see Annual Report 2007.

PARENT COMPANY INCOME STATEMENTS

SEK m	6 months		Second quarter		Full year
	2008	2007	2008	2007	2007
Net sales	49.9	17.7	26.6	8.4	35.4
Other income	0.2	0.2	0.1	0.1	0.5
Operating costs	- 72.1	- 37.9	- 38.7	- 19.6	- 75.6
Operating profit/loss (EBIT)	- 22.0	- 20.0	- 12.0	- 11.1	- 39.7
Net financial items	- 6.0	8.9	2.3	7.7	133.6
Profit/loss after net financial items	- 28.0	- 11.1	- 9.7	- 3.4	93.9
Tax	11.2	7.9	6.0	5.7	17.8
Profit/loss for the period	- 16.8	- 3.2	- 3.7	2.3	111.7
<i>*Of which, dividends from subsidiaries and associated companies</i>	<i>11.9</i>	<i>17.1</i>	<i>11.9</i>	<i>17.1</i>	<i>160.2</i>

PARENT COMPANY BALANCE SHEETS

SEK m	30 June 2008	30 June 2007	31 December 2007
Non-current assets	1,946.5	2,312.5	1,934.1
Current assets	1,238.0	1,873.4	1,843.3
Total assets	3,184.5	4,185.9	3,777.4
Shareholders' equity	1,346.7	1,431.9	1,565.9
Non-current liabilities	503.1	1,443.3	503.1
Current liabilities	1,334.7	1,310.7	1,708.4
Total liabilities and shareholders' equity	3,184.5	4,185.9	3,777.4
Investments	3.1	326.6	327.6
Divestments	-	0.1	0.1
Disposable liquidity *	415.7	1,054.2	771.9
<i>*Of which, unutilised overdraft facilities</i>	<i>52.6</i>	<i>52.4</i>	<i>52.6</i>