



Press release, 29 September, 2000  
from Svenska Orient Linien AB (publ)

## ***Swedish Orient Line's joint venture with Scan Orient now formed***

In accordance with the press release from 13 July, 2000, we are pleased to announce that the joint-venture company SolNiver Lines has now been formed. Swedish Orient Line (SOL) owns 60% of the shares and Scan Orient Shipping Co. Ltd (Scan Orient), a subsidiary of the Greek shipping company Niver Lines, 40%.

On 1 October, 2000, SolNiver Lines will take over the liner services operated by the two joint owners between Scandinavia/Finland and the Mediterranean, making it the largest RoRo service operator in this traffic area. The resources of the two shipping companies will be coordinated in the new company and SolNiver Lines will be the joint strategic partner also for the Swedish and Finnish export industries.

SolNiver Lines will be managed from a new office in Gothenburg with Karl Roesner as Managing Director and Tommy Jönsson as Deputy Managing Director. The majority of the personnel have been recruited from SOL. Marketing and bookings will be carried out by agents in the different countries with Scan Orient's sister company Practomar Inc. as general agent in the Mediterranean, Black Sea and Poland and SOL as the general agent for Scandinavia, including the Baltic States and the UK. In Finland, Finnliness will continue as the agent for SolNiver Lines.

The shipping company's operations will primarily be carried on with tonnage on long-term charters which will be supplemented, when necessary, with external tonnage. Initially, SOL's present fleet of four RoRo vessels will be chartered on a long-term basis and a further three vessels will be operated by SolNiver Lines. This collaboration means that larger transport volumes can be coordinated more efficiently, which will result in better service to customers and better utilisation of joint resources, thus leading to improved profitability.

## ***Positive effects for Swedish Orient Line***

Parallel with the establishment of SolNiver Lines, sweeping rationalisation measures have been instituted in the remaining SOL organisation resulting in personnel reductions of about 25% over and above the personnel transferred to SolNiver Lines.

For SOL, this joint venture will generate positive commercial effects which, together with the previously announced sale and rechartering of the RoRo vessels and the ongoing rationalisation measures, will result in improved profitability in the long term. For the present year, however, the net effect of this will be limited and the forecast of a loss of MSEK 25–35 made earlier still applies. The transfer of operations to SolNiver Lines will, however, result in a direct improvement in liquidity since parts of the cargo-handling equipment no longer needed can be sold.

SOL expects the combined effects to result in a profit next year.

The previously announced option for Scan Orient to subscribe to 10 million Series B shares in SOL at a price of SEK 2 per share has not been exercised.

### ***Next financial report***

For practical reasons, the Interim Report for January–September, 2000, has been brought forward one day and will be published on Wednesday, 25 October, 2000.

*Gothenburg, 29 September, 2000*

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