

Press release

February 27, 2014

TransAtlantic publishes Year-end report for 2013, proposes a rights issue of about SEK 150 M and discontinues TransPal Line

Year-end report 2013

The fourth quarter 2013 has, in line with the year 2013 as a whole, been a period marked by a high activity level in both business areas. Viking Supply Ships entered into a contract with a major oil company for four AHTS vessels for the drilling seasons of 2014 and 2015, with options for 2016 and 2017. Industrial Shipping is facing continued weak market conditions. Despite focus on restructuring and efficiency measures the business area has not been able to counteract the volume decline, resulting in an unsatisfactory financial performance. However, the fourth quarter has seen an improvement of the operational result due to a number of measures implemented.

Fourth quarter

- Net revenues amounted to SEK 661 M (765)
- Result before capital costs, EBITDA, amounted to SEK 71 M (-12)
- Operational result before tax amounted to SEK -24 M (-40)
- Result before tax amounted to SEK -185 M (-61)
- Result after tax amounted to SEK -203 M (-95)
- Earnings per share after tax amounted to SEK -1,7 (-0,9)

January – December 2013

- Net revenues amounted to SEK 2 925 M (3 274)
- Result before capital costs, EBITDA, amounted to SEK 270 M (120)
- Operational result before tax amounted to SEK -137 M (-327)
- Result before tax amounted to SEK -321 M (-356)
- Result after tax amounted to SEK -359 M (-393)
- Earnings per share after tax amounted to SEK -3,2 (-3,5)

Major events fourth quarter

- The Group's operational quarterly result amounted to SEK -24 M which is an improvement compared to previous year.
- Tom Ruud assumed his position as the Group's new President and CEO in December.
- The rights issue of SEK 148 M was completed in December. The net proceeds of SEK 144 M, less transaction costs, was used to repay a short term debt certificate of SEK 140 M.
- An agreement was signed in December to divest the two small container vessels TransOdin and TransFrej, trading within the TransPal Line. The transaction was concluded in January 2014 with a 0 result and a positive cash effect of SEK 11 M.

- A receivable related to a terminated tax-lease structure was divested during Q4 with a positive cash effect of SEK 52 M.
- Viking Supply Ships entered into a long term contract with a major international oil company for four AHTS vessels in October. The total contract value for the firm period, the drilling seasons June to November 2014 and 2015, is estimated to USD 120 M.
- Viking Supply Ships was awarded a two-year consultancy services contract. The contract value is estimated to USD 50-60 M.
- The Group has been in breach of certain covenants during Q4, for which waivers have been received from relevant parties.
- The board of Directors proposes that no dividend shall be paid for the 2013 fiscal year.

Major events after the fourth quarter

- Viking Supply Ships is evaluating a possible sale of the PSV-vessels by reasons of indications from interested parties.
- As a result of having entered into the long term contract with an oil major for four of our AHTS vessels, VSS has limited tonnage available in the North Sea for the peak drilling seasons for the next years. Consequently, VSS has entered into a principle agreement with certain subjects, for a 5 year bareboat agreement for two large, high specification AHTS newbuild vessels to be delivered mid-2014 and mid-2015 respectively.

Rights issue

Rederi AB TransAtlantic (publ) ("TransAtlantic" or the "Company") conducted an equity issue of SEK 148 M with preferential rights for the Company's shareholders in the fourth quarter of 2013 in order to repay short term debt certificates plus interest. The SEK 140 M proceeds of the debt certificates were used to finance the strategic and restructuring activities within Industrial Shipping.

The restructuring activities have unfortunately not been sufficient to compensate for the weak market and declining volumes within Industrial Shipping. Therefore, the board will propose to the annual general meeting to conduct a share issue with preferential shares for the Company's shareholders, during the first half of 2014. The purpose of the rights issue is to accelerate the restructuring process and implement further efficiency measures and to facilitate faster division of the Group.

The Company estimates that the needed capital amounts to approximately SEK 150 M, and the share issue will be guaranteed by TransAtlantic's largest shareholder Kistefos AS (through the wholly-owned subsidiary Viking Invest AS) ("Kistefos").

Swedbank Corporate Finance is acting as financial advisors and Mannheimer Swartling Advokatbyrå is acting as legal advisor to TransAtlantic in conjunction with the rights issue.

TransPal Line

As a part of the efforts to improve the profitability within Industrial Shipping it has been decided to immediately close down the unprofitable container service TransPal Line involving closure of offices and terminal in Hull (United Kingdom) and Szczecin (Poland). The decision affects 70 employees, mainly in the UK, Poland and headquarters in Gothenburg.

Press and analyst conference

Due to the publishing of TransAtlantic's Year-end report, a teleconference will be held for media, investors and analysts on Thursday, October 27, 2014 at 10 a.m. with the CEO of TransAtlantic, Tom Ruud and the CFO, Tomas Bergendahl.

Call-in details:

+46 8 5065 3938 (from Sweden)

+47 2350 0486 (from Norway)

Pin: 671 77 63

Please dial in 5-10 minutes before the start of the conference.

In conjunction with the teleconference a presentation will be available on the Company's webpage, www.rabt.se. Please refer to Investor Relations/Presentations.

For further information, please contact

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Rederi AB TransAtlantic is a leading Swedish shipping company with headquarters in Gothenburg, Sweden and additional offices in Europe. The company is organized into two business areas: Industrial Shipping and Viking Supply Ships. The company has about 950 employees and the turnover in 2013 was MSEK 2 925. The Industrial Shipping business area consists of three divisions: Container, RoRo and Bulk. The company's B-shares are listed on the NASDAQ OMX Stockholm, Small Cap segment. www.rabt.se

TransAtlantic is obliged to make this information public according to the Financial Markets Act and/or the Financial Instruments Trading Act (Sw: lagen om värdepappersmarknaden and lagen om handel med finansiella instrument). The information was submitted for publication on February 27, 2014 at 08.30 am.