



## THIRD QUARTER 2001 RESULT ODFJELL ASA - CONSOLIDATED

- Stable and strong results throughout the year
- Time-charter earnings somewhat lower in the third quarter than in the first and second quarters
- Strong results from the tank terminal activities
- Stable vessel operating cost
- Bunker cost still at high levels but with downward trend
- Continued reduced interest rates
- Growth in earnings and cashflow per share

### RESULTS

Odfjell's consolidated net result was USD 53 million for the first nine months of 2001. The improvement from a loss of USD 17 million in the corresponding period in 2000 reflects a stronger market for transporting chemicals and clean petroleum products. Earnings before interest, tax, depreciation and amortisation (EBITDA) were USD 158 million, a sharp increase from USD 75 million for the comparable 2000 period. Operating result (EBIT) was USD 100 million, compared to USD 26 million for the first nine months of 2000. Gain from sale of 50% of the vessel Bow Saphir is included in the figures for 2001 with USD 3.5 million.

The result before currency items and taxes for the first nine months of 2001 was USD 69 million, compared to a loss of USD 8 million in the corresponding period in 2000.

The increase in total operating cost compared to the corresponding period in 2000 reflects acquisitions made during the second half of 2000. General and administrative expenses as well as depreciation are higher than in 2000 due to the growth of our activities.

Net interest expenses for the first nine months of 2001 was USD 31 million compared to USD 33 million for the same period in 2000.

The average USD/NOK exchange rate was 9.01 compared to 8.63 for the same period last year. The USD/NOK rate weakened slightly from 8.89 at year-end 2000 to 8.85 at 30 September 2001. The strong USD negatively impacted our currency hedging portfolio. The currency cost in the period was USD 11 million compared to a cost of USD 7 million for the

same period last year. This is partly offset by reduced operating- and general and administrative expenses. The net result for the third quarter 2001 was somewhat better than each of the first two quarters of this year. The results for the first quarter 2001, however, included the afore-mentioned sales gain of USD 3.5 million.

### BUSINESS SEGMENTS

#### Global trade

EBITDA for the first nine months of 2001 was USD 116.4 million, an increase from USD 54.1 million in the same period of 2000. Operating profit (EBIT) increased from USD 16.2 million in the first nine months of 2000 to USD 76.4 million in the first nine months of 2001.

Freight rate improvements resulted in time-charter income expressed in USD per day increasing by 40 % compared to the first nine months of 2000. Such time-charter income was 26% higher in the third quarter 2001 compared to third quarter 2000, but 6% lower than in the second quarter 2001. The average price of bunker was still high at about USD 130 per ton, compared to USD 134 per ton for the same period last year. Operating cost on a comparable fleet basis was at the same level as the same period in 2000.

On 4 September 2001, we took delivery of the 37.500 dwt. newbuilding Bow Favour from Kleven Florø.

#### Regional trade

EBITDA for the first nine months of 2001 was USD 12.1 million, an increase from USD 6.6 million in the first nine months of 2000 as a consequence of improved market conditions.

### Tank terminals

EBITDA for the first nine months of 2001 was USD 26.4 million, which is a substantial increase over the first nine months of 2000 figure of USD 15.0 million. The EBITDA of Odfjell Terminals (Baytank) was USD 11.5 million, compared with USD 10.6 million in the first nine months of 2000. Odfjell Terminals (Rotterdam) acquired in June 2000 showed an EBITDA of USD 14.0 million for the first nine months of 2001. Our share of the two terminals in China made an EBITDA of USD 1.0 million. We have increased our ownership in the Dalian terminal from 54% to 64% with effect from 1 July 2001.

### Tank containers

EBITDA for the first nine months of 2001 was USD 2.5 million, compared to negative USD 1.5 million in the first nine months of 2000. Hoyer-Odfjell is still impacted by difficult market conditions.

## **LIQUIDITY AND FINANCING**

Liquid assets as of 30 September 2001 was USD 200 million compared to USD 227 million as of 31 December 2000. In addition, undrawn available credit facilities equalled USD 113 million as per 30 September 2001 compared to USD 40 million as per 31 December 2000.

Interest bearing debt decreased from USD 954 million as per year-end 2000 to USD 935 million per 30 September 2001.

## **SHAREHOLDER INFORMATION**

During first nine months of 2001 the price of the Odfjell A-share fell by 11%, from NOK 135 to NOK 120. The B-share declined from NOK 120 to NOK 110, a reduction of 8%.

The Oslo Stock Exchange fell by 25%, while the transportation index declined by 12% during the first nine months of 2001.

Earnings per share amounted to USD 2.09 (NOK 18.82) in the first nine months of 2001 compared to negative USD 0.72 (negative NOK 6.21) in first nine months of 2000. Cash flow per share was USD 4.51 (NOK 40.61) compared to USD 1.41 (NOK 12.17).

The Annual General Meeting held 8 May 2001 decided to redeem all outstanding treasury shares as of the same date. The redemption of 558,850 A-shares and 806,900 B-shares became effective 22 August 2001. At the Annual General Meeting on 8 May 2001 the Board of Directors was given an authorisation to acquire treasury shares of up to 10% of the company's outstanding shares. The authorisation has been utilised in full and we have acquired 832,600 A-shares at an average price of NOK 126.49 per share and 1,708,349 B-shares at an average price of NOK 118.43 per share.

An Extraordinary General Meeting was held yesterday, 6 November 2001, where it was decided to redeem all outstanding treasury shares as of the same date. The redemption of 832,600 A-shares and 1,708,349 B-shares will become effective in February 2002. Further, at the same Extraordinary General Meeting the Board of Directors was given an authorisation to acquire treasury shares of up to 10% of the company's outstanding shares.

## **PROSPECTS**

For the balance of the year we expect that the current level of net earnings will continue. Time-charter earnings are expected to be somewhat lower in the fourth quarter. Lower net interest expenses will, however, be an offsetting factor.

Apart from the effect on the world economy, the company has not been directly effected by the 11 September 2001 event in any significant way. The major risk factor is a prolonged weakening of the world economy, and the impact on global chemical movements. We expect a continued reduction in the supply of new tonnage, as less newbuildings will be delivered in the coming years. Pressure on quality tonnage and age requirements should also positively impact the market.

Through the merger with Seachem and the acquisition of Odfjell Terminals (Rotterdam) the company has significantly strengthened its market position as a total logistics service provider.

Bergen, 7 November 2001  
The Board of Directors of Odfjell ASA

Odfjell is the leading player in the global market of transporting chemicals and related logistical services. The fleet totals 86 vessels, trading both globally and regionally, of which 50 are owned by the group. Odfjell additionally owns and operates tank terminals and tank containers. Priority is being given to further developing the company's integrated logistical services.

**Odfjell Group**  
Report 3rd quarter 2001

	1.1-31.3	1.4-30.6	1.7-30.9	1.1-30.9	1.1-30.9	1.1-31.12
<b>PROFIT AND LOSS STATEMENT (USD mill)</b>	<b>2001</b>	<b>2001</b>	<b>2001</b>	<b>2001</b>	<b>2000</b>	<b>2000</b>
Gross revenue	220	208	210	639	491	696
Voyage expenses	(71)	(61)	(63)	(195)	(193)	(266)
Time-charter expenses	(48)	(44)	(46)	(138)	(108)	(152)
Operating expenses	(40)	(38)	(39)	(117)	(88)	(127)
<b>Gross result</b>	<b>61</b>	<b>65</b>	<b>62</b>	<b>188</b>	<b>102</b>	<b>152</b>
General and administrative expenses	(10)	(10)	(11)	(30)	(27)	(39)
<b>Operating result before depreciation and gain (loss) on sale of fixed assets</b>	<b>51</b>	<b>55</b>	<b>52</b>	<b>158</b>	<b>75</b>	<b>112</b>
Depreciation	(20)	(21)	(20)	(61)	(50)	(69)
Gain (loss) on sale of fixed assets	3	0	-	3	-	-
<b>Operating result</b>	<b>35</b>	<b>34</b>	<b>31</b>	<b>100</b>	<b>26</b>	<b>44</b>
Interest income	4	3	3	11	9	12
Interest expenses	(16)	(13)	(13)	(42)	(42)	(59)
Other financial items	0	(0)	(0)	(0)	(1)	-
Currency gains (losses)	(5)	(5)	(1)	(11)	(7)	(8)
<b>Net financial items</b>	<b>(17)</b>	<b>(15)</b>	<b>(11)</b>	<b>(43)</b>	<b>(41)</b>	<b>(54)</b>
<b>Net result before extraordinary items and taxes</b>	<b>18</b>	<b>19</b>	<b>21</b>	<b>58</b>	<b>(15)</b>	<b>(10)</b>
Taxes	(2)	(2)	(2)	(5)	(1)	(2)
<b>Net result before minority interests</b>	<b>17</b>	<b>17</b>	<b>19</b>	<b>53</b>	<b>(17)</b>	<b>(12)</b>
Minority interests	(0)	0	0	(0)	(0)	-
<b>Net result</b>	<b>17</b>	<b>17</b>	<b>19</b>	<b>53</b>	<b>(17)</b>	<b>(12)</b>

	31.3	30.6	30.9	30.9	31.12
<b>BALANCE SHEET (USD mill)</b>	<b>2001</b>	<b>2001</b>	<b>2001</b>	<b>2000</b>	<b>2000</b>
Vessels	962	948	990	994	979
Newbuildings	39	46	35	31	38
Tank terminals	195	191	195	179	195
Other long-term receivables and fixed assets	88	84	79	52	80
<b>Total fixed assets</b>	<b>1 284</b>	<b>1 269</b>	<b>1 299</b>	<b>1 257</b>	<b>1 292</b>
Other current assets	103	79	84	104	94
Bank deposits and marketable securities	206	221	200	207	227
<b>Total current assets</b>	<b>310</b>	<b>300</b>	<b>283</b>	<b>311</b>	<b>321</b>
<b>Total assets</b>	<b>1 594</b>	<b>1 569</b>	<b>1 582</b>	<b>1 569</b>	<b>1 613</b>
Shareholders' equity	541	551	544	532	530
Minority interests	5	5	4	5	5
Long-term debt	918	921	941	941	961
Short-term debt	130	92	93	90	117
<b>Total liabilities</b>	<b>1 048</b>	<b>1 013</b>	<b>1 034</b>	<b>1 032</b>	<b>1 078</b>
<b>Total liabilities and shareholders' equity</b>	<b>1 594</b>	<b>1 569</b>	<b>1 582</b>	<b>1 569</b>	<b>1 613</b>

**KEY FIGURES**

	25.74	25.36	24.80	25.30	23.36	23.76
Average number of shares (mill)	25.74	25.36	24.80	25.30	23.36	23.76
Earnings per share (USD)	0.66	0.67	0.76	2.09	(0.72)	(0.50)
Cash flow per share (USD)	1.43	1.48	1.59	4.51	1.41	2.40
Equity per share (USD)	21.21	21.95	23.59	23.59	19.87	20.50
Share price per A-share (USD)	14.26	15.13	13.56	13.56	14.84	15.18

**FINANCIAL RATIOS**

	34.0 %	35.1 %	34.4 %	34.4 %	33.9 %	33.0 %
Equity ratio	34.0 %	35.1 %	34.4 %	34.4 %	33.9 %	33.0 %
Current ratio	2.4	3.3	3.0	3.0	3.5	2.7
Return on total assets	7.6 %	7.7 %	8.0 %	7.8 %	2.4 %	3.3 %
Return on equity	10.7 %	12.5 %	13.8 %	12.9 %	(4.5%)	(2.4%)
Return on capital employed	11.6 %	10.9 %	9.9 %	10.5 %	3.0 %	3.8 %
Debt repayment capability (Years)	5.3	4.6	4.7	5.0	16.7	12.7
USD/NOK rate at period end	9.12	9.32	8.85	8.85	9.10	8.89

<b>CASH FLOW STATEMENT (USD mill)</b>	<b>1.1-31.3 2001</b>	<b>1.4-30.06 2001</b>	<b>1.7-30.09 2001</b>	<b>1.1-30.9 2001</b>	<b>1.1-30.9 2000</b>	<b>1.1-31.12 2000</b>
Net cash flow from operating activities	45	38	38	120	36	91
Net cash flow from investing activities	(8)	(8)	(54)	(71)	(329)	(382)
Net cash flow from financing activities	(55)	(13)	(7)	(75)	285	302
Effect on cash balances from currency exchange rate fluctuations	(1)	(1)	2	(1)	3	3
<b>Net change in cash and cash equivalents</b>	<b>(20)</b>	<b>15</b>	<b>(21)</b>	<b>(27)</b>	<b>(5)</b>	<b>14</b>
Opening cash balances	227	206	221	227	213	213
<b>Ending cash balances</b>	<b>206</b>	<b>221</b>	<b>200</b>	<b>200</b>	<b>207</b>	<b>227</b>

#### **GROSS REVENUE AND OPERATING RESULT (EBIT) (USD mill)**

Global trade	165	151	153	469	376	532
Regional trade	23	27	27	77	53	72
Tank terminals	22	22	22	66	37	59
Tank containers	10	8	8	26	26	33
<b>Total gross revenue</b>	<b>220</b>	<b>208</b>	<b>211</b>	<b>639</b>	<b>491</b>	<b>696</b>
Global trade	28	26	23	76	17	29
Regional trade	2	2	2	6	2	2
Tank terminals	6	6	6	17	9	16
Tank containers	(0)	0	0	0	(2)	(3)
<b>Total operating result (EBIT)</b>	<b>35</b>	<b>34</b>	<b>31</b>	<b>100</b>	<b>26</b>	<b>44</b>

#### **SHAREHOLDERS' EQUITY (USD mill)**

Opening balances	530	541	551	530	451	451
Net result for the period	17	17	19	53	(17)	(12)
Repurchase own shares	(4)	(6)	(28)	(38)	(13)	(13)
Share issue	-	-	-	-	116	116
Changes to equity	-	1	-	1	1	1
Changes in exchange differences	(1)	(2)	2	(1)	(5)	(0)
Proposed dividend	-	-	-	-	-	(12)
<b>Ending balances</b>	<b>541</b>	<b>551</b>	<b>544</b>	<b>544</b>	<b>532</b>	<b>530</b>

#### **ACCOUNTING PRINCIPLES**

All items in the periodic financial statements have been reported, valued and accounted for in accordance with the Accounting Act and generally accepted accounting principles in Norway.

The same accounting principles have been applied in the periodic accounts as in the annual accounts for 2000.

The periodic accounts are unaudited.