



## **REPORT FIRST QUARTER 2002 ODFJELL ASA - CONSOLIDATED**

- Earnings in line with our prognosis
- First quarter result on par with fourth quarter result
- Continued good results from the tank terminal activities
- Stable ship operating expenses
- Bunker cost still at high levels
- Continued low interest rates

### **RESULTS**

Odfjell's consolidated net result after tax was USD 6 million for the first quarter of 2002 compared to a result of USD 17 million in the first quarter 2001. The result for the fourth quarter 2001 was USD 7 million. The result reflects a stable market for the transportation and storage of chemicals and clean petroleum products compared to the last quarter of 2001. Earnings before interest, tax, depreciation and amortisation (EBITDA) was USD 41 million, compared to USD 51 million and USD 45 million respectively in the first and fourth quarter 2001. Operating result (EBIT) was USD 20 million, compared to USD 35 million and USD 24 million respectively in the first and fourth quarter 2001. Gain from sale of 50% of the M/T Bow Saphir is included in the figures for the first quarter 2001 with USD 3.5 million.

Operating expenses as well as general and administrative expenses were stable compared to the previous quarters. Net interest expenses for the first quarter of 2002 were USD 8 million compared to USD 12 million and USD 8 million respectively in the first and fourth quarter 2001.

The average USD/NOK exchange rate was 8.91 compared to 8.85 for the first quarter 2001. The USD/NOK rate weakened somewhat from 9.01 at year-end 2001 to 8.81 at 31 March 2002. The continued strong USD negatively impacted our currency hedging portfolio. The currency cost in the period was USD 4 million compared to a cost of USD 5 million the same quarter the previous year. This is offset partly by reduced voyage, operating as well as general and administrative expenses.

## **BUSINESS SEGMENTS**

### Global trade

EBITDA for the first quarter of 2002 was USD 27 million compared to USD 39 million in the first quarter of 2001. Operating profit (EBIT) was USD 12 million in the first quarter of 2002 compared to USD 28 million in the first quarter of 2001 (including, then a sales gain of USD 3.5 million.). Lower freight rates lead to time-charter income expressed in USD per day 13 % lower than in 2001. In the first quarter 2002 we experienced a 4% reduction in time-charter income over the fourth quarter 2001. The average price of bunkers in the first quarter of 2001, still high, was USD 116 per ton, compared to USD 128 per ton the previous year. Operating expenses on a comparable fleet basis however was at the same level as in 2001.

### Regional trade

EBITDA for the first quarter of 2002 was USD 4 million, the same figure as for the first quarter 2001. EBIT for the first quarter of 2002 was USD 2 million.

### Tank terminals

EBITDA for the first quarter of 2002 was USD 9 million compared to the first quarter 2001 figure of USD 9 million. EBIT for the first quarter of 2002 was USD 5 million. The EBITDA of Odfjell Terminals (Houston) was USD 4 million, slightly above the figure for the first quarter 2001. Odfjell Terminals (Rotterdam) showed a reduction in EBITDA from USD 5 million for the first quarter 2001 to USD 3 million for the first quarter of 2002. Our share of the two terminals in China made an EBITDA of USD 1 million.

### Tank containers

EBITDA for the first quarter of 2002 was USD 1 million, compared to a break-even level in the first quarter 2001. EBIT for the first quarter 2002 was at a break-even level. Hoyer-Odfjell is improving, but still impacted by difficult market conditions.

## **KEY FIGURES**

Return on total assets was 4.0%, the return on capital employed (ROCE) was 6.2% and the return on equity was 4.2% in the first quarter of 2002. Return on the market cap as per 31 March 2002 was 5.8%, caused by the share trading at a discount to book value.

Earnings per share amounted to USD 0.24 (NOK 2.16) in the first quarter of 2002 compared to USD 0.66 (NOK 6.02) in the first quarter 2001. Cash flow per share was USD 1.16 (NOK 10.36) compared to USD 1.43 (NOK 13.04).

As per 31 March 2002 the Price/Earnings ratio (P/E) was 17.2 and the Price/Cashflow ratio was 3.6. Book value per share equals an EV/EBITDA multiple of 7.7, while market value per share as 31 March 2002 corresponds to an EV/EBITDA multiple of 6.8. Interest coverage ratio (EBITDA/Net interest expenses) improved to 5.0 for the first quarter of 2002 compared to 4.3 for the first quarter 2001.

Cash and bonds as of 31 March 2002 were USD 215 million compared to USD 213 million as of 31 December 2001. Additionally, undrawn credit facilities equalled USD 43 million as per 31 March 2002 compared to USD 33 million as per year-end 2001.

Interest bearing debt decreased from USD 960 million as per year-end 2001 to USD 946 million per 31 March 2002. Net interest bearing debt was USD 731 million as per 31 March 2002. The equity ratio was 34% as per 31 March 2002 and the ratio between current assets and current liabilities was 280%.

## **SHAREHOLDER INFORMATION**

At the end of the first quarter of 2002 the Odfjell A-shares were trading at NOK 147, up 8.9% from NOK 135 as per 31 December 2001. The B-shares were trading at NOK 146 at the end of March 2002, an increase of 9.0% from NOK 134 at year-end 2001. By way of comparison, the Oslo Stock Exchange benchmark index increased by 7.1% and the transportation index improved by 9.3% during the period. The A-shares traded between NOK 128 and NOK 149 during the first quarter 2001 whilst the the B-shares traded between NOK 125 and NOK 146.

To improve the trading liquidity in Odfjell shares we entered into a market maker agreement with Pareto Securities ASA valid as from 1 January 2002.

On 14 February 2002 the redemption of 832,600 A-shares and 1,708,349 B-shares became effective. The treasury shares were redeemed pursuant to an approval from an Extraordinary General Meeting held 6 November 2001.

The Annual General Meeting will be held later today and the Board recommends an increased dividend, from NOK 4 per share for 2000 to NOK 8 per share for 2001, equal to NOK 182.9 million (USD 20.3 million). If approved, the dividend will be paid out on 16 May 2002 to the registered shareholders as per 29 April 2002.

## **PROSPECTS**

During 2001 world economic growth slowed. There is uncertainty as to the length of the current downturn and its impact on the chemical tanker industry. We expect a continued reduction in the supply of new tonnage, as fewer newbuildings will be delivered the next two years.

Earnings for the first quarter 2002 were in line with our expectations. For the full year 2002 we expect a net result lower than in 2001. Assuming a mid 2002 pick-up in world economic growth, we expect a better result for the second half than the first half of the year. Through consolidation and by terminal acquisitions the company has steadily strengthened its market position as a total logistics service provider.

Bergen, 29 April 2002  
The Board of Directors of Odfjell ASA

Odfjell is a leading company in the global market of transporting and storing of chemicals and related logistical services. The fleet totals 90 ships, 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 1st quarter 2002**

	<b>1.1-31.3</b>	<b>1.1-31.3</b>	<b>1.1-31.12</b>
<b>PROFIT AND LOSS STATEMENT (USD mill)</b>	<b>2002</b>	<b>2001</b>	<b>2001</b>
Gross revenue	196	220	846
Voyage expenses	(60)	(71)	(260)
Time-charter expenses	(44)	(48)	(183)
Operating expenses	(39)	(40)	(158)
<b>Gross result</b>	<b>52</b>	<b>61</b>	<b>245</b>
General and administrative expenses	(11)	(10)	(42)
<b>Operating result before depreciation and gain (loss) on sale of fixed assets</b>	<b>41</b>	<b>51</b>	<b>203</b>
Depreciation	(21)	(20)	(83)
Gain (loss) on sale of fixed assets	-	3	4
<b>Operating result</b>	<b>20</b>	<b>35</b>	<b>124</b>
Interest income	2	4	13
Interest expenses	(10)	(16)	(53)
Other financial items	(0)	0	(1)
Currency gains (losses)	(4)	(5)	(14)
<b>Net financial items</b>	<b>(13)</b>	<b>(17)</b>	<b>(55)</b>
<b>Result before extraordinary items and taxes</b>	<b>7</b>	<b>18</b>	<b>69</b>
Taxes	(1)	(2)	(9)
<b>Net result before minority interests</b>	<b>6</b>	<b>17</b>	<b>60</b>
Minority interest	(0)	0	0
<b>Net result</b>	<b>6</b>	<b>17</b>	<b>60</b>
	<b>31.3</b>	<b>31.3</b>	<b>31.12</b>
<b>BALANCE SHEET (USD mill)</b>	<b>2002</b>	<b>2001</b>	<b>2001</b>
Intangible assets	17	17	17
Vessels	962	962	974
Newbuildings	52	39	36
Tank terminals	215	195	216
Tank containers	20	19	19
Other fixed assets	20	17	17
Other long-term receivables	17	36	22
<b>Total fixed assets</b>	<b>1 303</b>	<b>1 284</b>	<b>1 301</b>
Short term receivables	73	92	79
Bunkers	4	5	8
Investments	-	6	-
Bank deposits and marketable securities	215	206	213
<b>Total current assets</b>	<b>291</b>	<b>310</b>	<b>299</b>
<b>Total assets</b>	<b>1 594</b>	<b>1 594</b>	<b>1 601</b>
Paid in equity	141	145	141
Retained earnings	391	396	385
<b>Total shareholders' equity</b>	<b>532</b>	<b>541</b>	<b>526</b>
Minority interest	4	5	4
Accrued liabilities	9	6	8
Long-term debt	946	912	960
Short-term debt	104	130	103
<b>Total liabilities</b>	<b>1 059</b>	<b>1 048</b>	<b>1 071</b>
<b>Total liabilities and shareholders' equity</b>	<b>1 594</b>	<b>1 594</b>	<b>1 601</b>

KEY FIGURES	1.1-31.3	1.1-31.3	1.1-31.12
	2002	2001	2001
Average number of shares (mill)	22.87	25.74	24.69
Earnings per share (USD)	0.24	0.66	2.43
Cash flow per share (USD)	1.16	1.43	5.78
Equity per share (USD)	23.24	21.21	22.99
Share price per A-share (USD)	16.69	14.26	14.98

#### FINANCIAL RATIOS

Equity ratio	33.6 %	34.0 %	32.8 %
Current ratio	2.8	2.4	2.9
Return on total assets	4.0 %	7.6 %	7.0 %
Return on equity	4.2 %	10.7%	11.4%
Return on capital employed	6.2 %	11.6 %	9.8 %
Debt repayment capability (Years)	6.9	5.3	5.4
USD/NOK rate at period end	8.81	9.12	9.01

#### CASH FLOW STATEMENT (USD mill)

Net cash flow from operating activities	44	45	144
Net cash flow from investing activities	(28)	(8)	(111)
Net cash flow from financing activities	(14)	(55)	(47)
Effect on cash balances from currency exchange rate fluctuations	0	(1)	(1)
<b>Net change in cash and cash equivalents</b>	<b>2</b>	<b>(20)</b>	<b>(14)</b>
<b>Opening cash balances</b>	<b>213</b>	<b>227</b>	<b>227</b>
<b>Ending cash balances</b>	<b>215</b>	<b>206</b>	<b>213</b>

#### SEGMENT REPORTING (USD mill)

Global trade	138	165	621
Regional trade	27	23	103
Tank terminals	21	22	89
Tank containers	9	10	34
<b>Total gross revenue</b>	<b>196</b>	<b>220</b>	<b>846</b>
Global trade	27	39	150
Regional trade	4	4	14
Tank terminals	9	9	35
Tank containers	1	(0)	3
<b>Total operating result before depreciation and gain (loss) on sale of fixed assets (EBITDA)</b>	<b>41</b>	<b>51</b>	<b>203</b>
Global trade	12	28	94
Regional trade	2	2	6
Tank terminals	5	6	23
Tank containers	0	(0)	0
<b>Total operating result (EBIT)</b>	<b>20</b>	<b>35</b>	<b>124</b>

#### SHAREHOLDERS' EQUITY (USD mill)

Opening balances	526	530	530
Net result for the period	6	17	60
Repurchase own shares	-	(4)	(41)
Equity adjustments	-	-	1
Changes in translations adjustments	0	(1)	(3)
Proposed dividend	-	-	(20)
<b>Ending balances</b>	<b>532</b>	<b>541</b>	<b>526</b>

#### ACCOUNTING PRINCIPLES

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

The same accounting principles have been applied in the periodic accounts as in the annual accounts for 2001.

The periodic accounts are unaudited.