



Q3

Interim Report January – September 2014
October 30, 2014 from Rederi AB Transatlantic (publ)



Interim report 2014, January - September

Third quarter 2014

- Net revenues amounted to SEK 930 M (753)
- Result before capital costs, EBITDA, amounted to SEK 302 M (108)
- Operational result before tax amounted to SEK 183 M (49)¹
- Result before tax amounted to SEK 177 M (44)
- Result after tax amounted to SEK 170 M (43)
- Earnings per share after tax amounted to SEK 1.0 (0.4)

January - September 2014

- Net revenues amounted to SEK 2 396 M (2 264)
- Result before capital costs, EBITDA, amounted to SEK 435 M (199)
- Operational result before tax amounted to SEK 174 M (-113)¹
- Result before tax amounted to SEK 104 M (-136)
- Result after tax amounted to SEK 92 M (-156)
- Earnings per share after tax amounted to SEK 0.6 (-1.4)

Major events third quarter

- The Group's operational quarterly result amounted SEK 183 M (49) which is an improvement compared to the previous quarter and year. In addition, restructuring items and provisions for loss contracts have impacted the quarterly result by SEK -6 M (-5).
- A long-term bareboat charter agreement within business area TransAtlantic regarding seven small bulk vessels has during the quarter been renegotiated to match the commercial timecharter agreement which expire 2019.
- Viking Supply Ships completed a refinancing of SEK 694 M with maturity 2019 for the AHTS/icebreakers Tor-, Balder- and Vidar Viking during the third quarter. The refinancing brought a positive cash effect of SEK 140 M which was used to repurchase and repay debt certificates to the amount of SEK 186 M.
- Viking Supply Ships divested during the quarter the PSV vessel SBS Cirrus. The transaction brought a book gain of SEK 1 M and a positive cash effect of SEK 23 M.

Major events after the third quarter

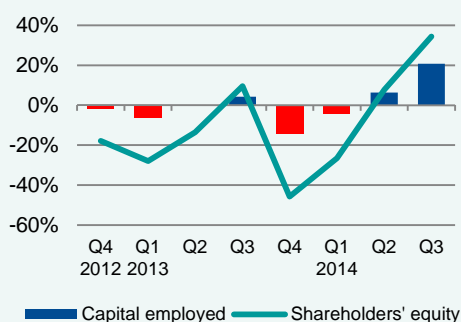
- A RoRo contract with a major customer will cease around year end 2014/2015 and will not be renewed, which will impact turnover in 2015 but will have only limited direct impact on profit. Partly as a consequence, the Company is evaluating continued adjustments of the liner structure and vessel capacity in order to optimize operations based on demand and environmental requirements.
- Viking Supply Ships has received an early termination for AHTS vessel Loke Viking, which applies for the 2015 drilling season, as well as remaining optional periods of the contract. Viking Supply Ships is entitled to an early termination fee.
- Viking Supply Ships has purchased the PSV vessel Freyja Viking, by use of a call option, to an acquisition price below current market value. To finance the purchase, Viking Supply Ships has drawn the last tranche on the secured bank loan financing the PSV vessels.

Key data, January - September

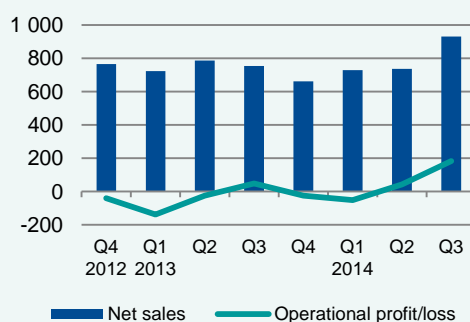
	2014	2013
Net sales, SEK M	2 396	2 264
Earnings before capital expenses (EBITDA), SEK M	435	199
Operational result before tax, SEK M ¹	174	-113
Result before tax, SEK M	104	-136
Result after tax, SEK M	92	-156
Earnings per share after tax, SEK	0.6	-1.4
Shareholders' equity per share, SEK	11.7	16.2
Return on equity, %	6.4	-10.7
Return on capital employed, %	7.8	-0.9
Equity/asset ratio at balance day, %	39.0	34.5

1. Operational resultat: Result before tax, restructuring- and acquisition items.

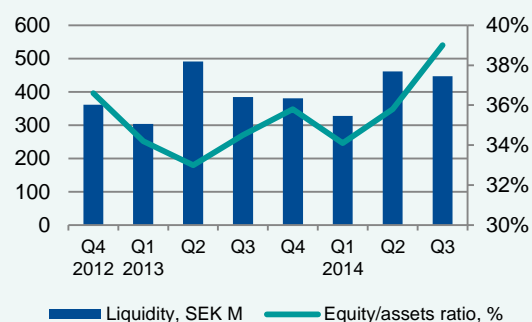
Return on capital employed and shareholders' equity, %



Net sales and operational profit, SEK M



Liquidity and equity/assets ratio SEK M and %



CEO statement

The third quarter of 2014 entails an underlying positive trend within both business areas. This mainly for the business area Viking Supply Ships which shows an improved and good profit level for the third quarter, despite a weaker spot market than expected, mainly driven by the increasing share of long-term contracts previously signed. The restructuring process within the business area TransAtlantic has continued according to plan during the quarter, with a break-even result before restructuring items. Although the development has been good, the profitability for the business area is still not at a satisfactory level. For the third quarter, profit before tax for the Group was 177 MSEK (44), negatively affected by restructuring costs and provisions of -6 MSEK (-5).

Viking Supply Ships

The quarter saw an improvement in both sales and profit. Both rate level and the utilization rate for the AHTS vessels increased during the quarter. Seven AHTS vessels were on term contract during the period, and one vessel operated on the spot market. Viking Supply Ships received after the period end an early termination for AHTS vessel Loke Viking, which applies for the 2015 drilling season, as well as remaining optional periods of the contract, and is entitled to an early termination fee. Within the PSV segment both rate and utilization levels decreased during the quarter. The Services and Ship Management segments are progressing as planned. Furthermore, Viking Supply Ships has secured the refinancing of ship loans for three vessels within the AHTS segment, repaid a debt certificate, divested one vessel and after the period end acquired one vessel, both vessels within the PSV segment.

TransAtlantic

As in previous quarters, TransAtlantic is still exposed to weak market conditions. The profitability for the quarter improved, mainly as a result of a structured cost reduction effort, but is still not at a satisfactory level. Meanwhile, sales fell mainly as a result of certain operations being divested and closed down. The restructuring activities remain in focus with an emphasis on a clearer business model, focusing on RoRo and Container Feeder Service. A RoRo contract with a major customer will cease around year end 2014/2015 and will not be renewed, which will impact turnover in 2015 but will have only limited direct impact on profit. Partly as a consequence, the Company is evaluating continued adjustments of the liner structure and vessel capacity in order to optimize operations based on demand and environmental requirements.

The Group

There have been no significant events regarding Group activities during the period. The work related to the split of the Group continues.

Outlook

The market conditions for Viking Supply Ships are expected to weaken during the next quarter in line with seasonal variances. Efforts to increase the proportion of long-term contracts within the business area are still in focus. The political situation in the Ukraine and the sanctions against Russia have to date not affected Viking Supply Ships, however, recent sanctions from the US have affected US companies that operate in Russia. It is however difficult to assess the future impact of the sanctions. Viking Supply Ships is carefully monitoring the development of the situation in order to safeguard its interests in the region. The previously communicated evaluation of a possible sale of the Viking Supply Ships PSV fleet has not been concluded.

The market for TransAtlantic is expected to remain weak during the remainder of 2014 and the business is expected to contribute with a negative result for the year. The earnings capacity remains sensitive to changes in volumes. The restructuring and efficiency efforts will continue and we expect to implement further cost savings to improve profitability and increase competitiveness.

The same long-term objective remains – to create two independently strong operations with the right prerequisites to successfully compete in their respective markets.

Gothenburg, 30 October, 2014



Tom Ruud,
CEO

Consolidated earnings for January-September

Consolidated net sales for the first nine months of 2014 amounted to SEK 2 396 M (2 264). The Group reported a result after tax of SEK 92 M (-156), of which net restructuring costs and acquisition effects amounted a total of SEK -70 M (-23). The result before tax amounted to SEK 104 M (-136). The major restructuring items consisted of provisions for the closing of TransPal Line and associated terminal as well as a loss contract. All restructuring items for the period affect the business area TransAtlantic.

Transatlantic Group

SEK M	July - September		January - September		Full Year
	2014	2013	2014	2013	2013
Net sales	930	753	2 396	2 264	2 925
Result before capital costs, EBITDA	302	108	435	199	270
Operating result, EBIT	246	51	272	-32	-193
Result before tax	177	44	104	-136	-321
Profit margin %	19.0	5.9	4.3	-6.0	-11.0

Result before tax by business area

Viking Supply Ships	183	100	214	41	50
TransAtlantic	0	-51	-40	-154	-187
Total operational result	183	49	174	-113	-137
Restructuring items	-6	-5	-70	-23	-184
Result before tax	177	44	104	-136	-321
Tax	-7	-1	-12	-20	-38
Result for the period	170	43	92	-156	-359
Profit per share, SEK	1.0	0.4	0.6	-1.4	-3.2

For further information, please see tables on page 13-19.

Financial position, investments and divestments

The table below summarizes changes in cash and cash equivalents for the period:

Consolidated cash-flow statement

SEK M	July - September		January - September		Full Year
	2014	2013	2014	2013	2013
Cash flow from operation before change in working capital	220	39	251	26	56
Changes in working capital	-140	-79	-130	-64	6
Cash flow from current operations	80	-40	121	-38	62
Cash flow from investing activities	-8	73	-146	3	-4
Cash flow from financing activities	-96	-129	73	67	-30
Changes in cash and cash equivalents	-24	-96	48	32	28
Cash flow at beginning of period	461	491	381	361	361
Exchange-rate difference in cash and cash equivalents	10	-10	18	-8	-8
Cash and cash equivalents at end of period	447	385	447	385	381

Consolidated cash and cash equivalents at the end of the period amounted to SEK 447 M (385) for the Group. Cash assets include unavailable client funds of SEK 61 M. The Group has loan agreements which contain cash covenants which require the cash level to be the highest of either 5% of interest-bearing debt or the equivalent of SEK 141 M.

At the end of period, the Group's equity amounted to SEK 2 082 M (10.7 SEK / share). A new rights issue of SEK 145 M, less cost for issuance, was conducted and added to the equity during the second quarter of 2014. Equity increased by SEK 92 M due to the profit for the nine month period. Further, a change in the translation reserve of SEK 96 M attributable to currency differences on net investments in subsidiaries with functional currencies other than SEK has had a positive effect.

Gross investments during the period amounted to SEK 223 M (78) before financing. These consisted mainly of the acquisition of the PSV-vessel SBS Typhoon by use of a call option, capitalized docking expenses and complementary investments in vessels mainly within Viking Supply Ships and of an investment of SEK 37 M related to the renegotiated long term bareboat charter agreement

of seven small bulk vessels. During the third quarter Viking Supply Ships divested the PSV vessel SBS Cirrus. The transaction brought a book gain of SEK 1 M and a positive cash effect of SEK 23 M.

During the first quarter ship loans related to two AHTS-vessels within Viking Supply Ships was re-financed by SEK 679 M with maturity 2018. The transaction affected the liquidity positively which was used by repurchasing previously issued debt certificates.

During the second quarter a refinancing of SEK 490 M with maturity 2016 was concluded for the PSV-fleet.

During the third quarter a refinancing of SEK 694 M with maturity 2019 was concluded for the AHTS/icebreakers Tor-, Balder- and Vidar Viking.

Debt certificates of NOK 100 M with maturity in 2014 was repaid and, and further NOK 66 M of outstanding issued debt certificates was repurchased during the third quarter. Debt certificates in the total amount of NOK 223 M have been repaid/repurchased during the nine month period. At the end of the period outstanding issued debt certificates amounted NOK 246 M.

Financial position

At close of each period	30.9.2014	31.12.2013
Total assets, SEK M	5 334	4 884
Shareholders' equity, SEK M	2 082	1 749
Equity/assets ratio, %	39.0	35.8
Debt/equity ratio, %	111	130
Cash and cash equivalents, SEK M	447	381
Number of shares outstanding	177 444 318	147 870 266

TransAtlantic business area

The business area TransAtlantic offers liner services within the Baltic Sea and northern Europe as its primary markets. The operation is primarily based on system traffic with RoRo and container vessels, as well as chartering of bulk vessels.

The improved operational result for the business area during the third quarter amounted to SEK 0 M (-51) despite a reduction in turnover of SEK 118 M, corresponding to a decrease of 28 %. The decrease mainly relates to the outsourcing of the Short Sea Bulk business, the closure of TransPal Line (TPL) and of downsizing within 'Other businesses'. The restructuring measures taken in 2013 and 2014 are now beginning to yield positive results. The situation is deemed to have been stabilized, but the hard work to improve profitability further is continuing.

The restructuring efforts have continued during the quarter towards a more distinct business model focused on RoRo and Container feeder service. The business area has been restructured to a separate group structure, held by the parent company Rederi AB Transatlantic (RABT), in which the liner services and ship management have been organized separately. The effort to right-size the organization to the requirements of the business will continue. The number of full time shore employees amounts to 53, which is a reduction by 77 since beginning of the year.

RoRo

The scheduled liner services between Finland and Germany/Belgium with TransLumi Line (TLL) and Trans Bothnia Line (TBL) have continued with satisfactory volumes during the quarter. Additional port calls has contributed with volumes, which has mitigated the effects of the weak Finnish market.

Container

The container business is conducted in three different liner services, TransFeeder North (TFN), TransBothnia Container Line (TBCL) and TransFeeder South (TFS) serving markets in Finland, Sweden, Germany and Belgium. The schedules and vessel capacity has been adapted to market conditions, which contributes to the improved profitability. The new port call in Piteå, within TBCLsystem, has been increased to a weekly

service in September. Its introduction in June 2014 is a breakthrough for the operation in the northern part of Sweden, creating a new marketplace for TransAtlantic's container services.

The TFN volume has seen a negative trend affected by the weak Finnish economy, however, earning levels has been compensated by the closure of TPL and positive development on the other lines.

Other businesses

The remaining chartering businesses with mid-sized bulk vessels and RoRo vessels not utilized in TransAtlantic's own liner services have during the period developed better than the corresponding period of the previous year. The partnership related to the small bulk vessels has been successful. A bareboat charter agreement has been renegotiated after the end of the period to better match the charter agreements through which the same vessels are chartered out.

Outlook

TransAtlantic's strategy aims to further strengthen the position in the Baltic Sea area and secure the business within the RoRo and Container segments. The restructuring and efficiency improvement efforts will continue and further cost reduction measures will be implemented in order to improve competitiveness and profitability. In addition, there are ongoing discussions with several customers about improved products offered by TransAtlantic within the RoRo and Container segments, as well as to meet the new environmental legislation (SECA), effective in 2015.

A RoRo contract with a major customer will cease around year end 2014/2015 and will not be renewed, which will impact turnover in 2015 but will have only limited direct impact on profit. Partly as a consequence, the Company is evaluating continued adjustments of the liner structure and vessel capacity in order to optimize operations based on demand and environmental requirements.

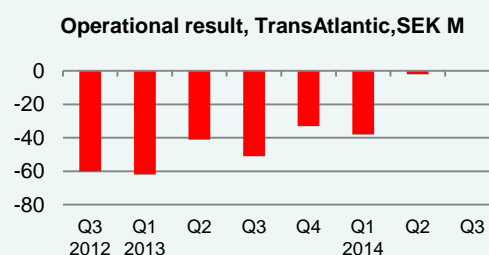
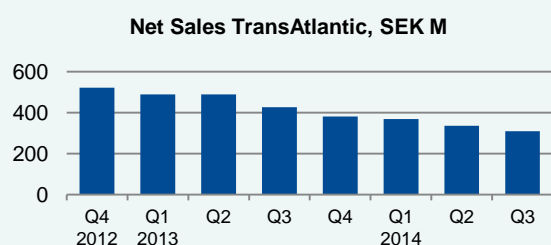
The markets, in which TransAtlantic shipping segments operate, are expected to remain weak throughout 2014. The assessment remains that business area TransAtlantic will contribute with a negative result for the full year of 2014.

TransAtlantic business area (cont.)

TransAtlantic

SEK M	July - September		January - September		Full Year
	2014	2013	2014	2013	2013
Net sales	309	427	1 014	1 405	1 787
EBITDA	4	-39	-69	-74	-83
Result before tax	-6	-56	-110	-177	-283
Operational result ¹⁾	0	-51	-40	-154	-187
Operational profit margin	0%	-12%	-4%	-11%	-10%

1) Result before tax, restructuring- and acquisitions items



Viking Supply Ships business area

The business area encompasses arctic offshore operations, the spot market for offshore in the North Sea and the global offshore sector. The fleet comprises of 13 offshore vessels, seven of which are equipped for operating in ice and harsh environments, such as Arctic regions.

The operational result of Viking Supply Ships amounted to SEK 183 M (100) for quarter. The operational result in the quarter improved compared to the preceding quarter due to better contractual coverage. Compared to the corresponding quarter in 2013 operational improvements and improved earnings positively affected the result by SEK 83 M.

Anchor Handling Tug Supply (AHTS)

As a result of the contract communicated in the Q2 2014 financial report, Tor Viking is now operating in Sakhalin. This further strengthens the company's presence in harsh environments and arctic conditions. Viking Supply Ships had seven of its eight AHTS vessels operating on term contracts, while one vessel was traded in the North Sea spot market. Four vessels are expected to return to the North Sea during October following the end of the drilling season.

The low activity seen in the North Sea Spot market during the previous quarter continued into July. However, as activity increased during the last two months of the quarter, both rates and utilization increased from the levels seen in previous periods.

For the third quarter the Viking Supply Ships AHTS fleet as a whole obtained an average fixture rate of SEK 587 T(425) and a utilization rate of 95 % (74).

Viking Supply Ships has completed the refinancing of the three AHTS Icebreakers Tor, Balder and Vidar Viking by signing a secured bank loan agreement. The new secured bank loan agreement of SEK 694 M will mature in 2019.

Platform Supply Vessels (PSV)

Despite increased demand, the market did not manage to absorb the ample supply of vessels, resulting in a soft market most of the quarter.

By the end of the third quarter of 2014, Freyja Viking concluded its four month charter to Nexen and the vessel is now trading in the North Sea spot market. SBS Typhoon also returned to the spot market during the quarter having served Enquest on a term charter for the entire year.

Viking Supply Ships business area (cont.)

At the end of the third quarter of 2014, all 5 vessels were traded in the North Sea spot market. The company is presently working to increase the contract coverage on the PSV fleet, and is pursuing opportunities in the North Sea, as well as nearby regions.

For the third quarter the PSV fleet as a whole obtained an average fixture rate of SEK 141T (157) and a utilization rate of 69 % (89).

The 1985 built SBS Cirrus was sold and delivered to its new owners. The transaction has generated a positive impact of SEK 1 M on the Q3 2014 results.

Services and Ship Management

In the Services segment the Kara Sea Consultancy Project is progressing according to plan. The project has entered into the demobilization phase and the Shore Operations Center in Moscow will be closed until the preparations for the next operational season will start during the second quarter of 2015.

The Shore Operations Center in Moscow delivers valuable data such as weather forecast, information about ice conditions and general guidance to the vessels operating in the Kara Sea.

The Ship Management segment operated according to plan with no major events during the third quarter.

Outlook

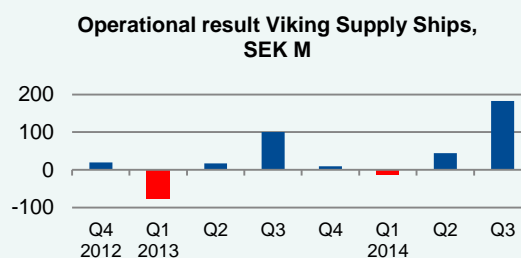
With the winter approaching, we expect several project vessels to join the North Sea AHTS fleet. Subsequently we expect a weakened market compared to the last quarter. However, as often seen during winter time, the weather can have a large impact, and tight periods can occur due to operational delays and temporarily increased activity.

For the PSV segment, we expect reduced demand when we approach the end of the year. Like the AHTS market, we expect periods with a tighter PSV market, but overall we expect rates and utilization to be modest.

Viking Supply Ships

SEK M	July - September		January - September		Full Year
	2014	2013	2014	2013	2013
Net sales	621	326	1 382	859	1 138
EBITDA	298	147	504	273	353
Result before tax	183	100	214	41	-38
Operational result ¹⁾	183	100	214	41	50
Operational profit margin	29%	31%	15%	5%	4%

1) Result before tax, restructuring- and acquisitions items



Parent Company

Earnings and financial position

The Parent Company's result before and after tax for the first nine months amounted to SEK -95 M (-107). The result for the third quarter was negatively affected by an impairment loss related to shares in subsidiaries of SEK 90 M.

The restructuring of the Groups' legal structure to streamline the businesses in the two business areas TransAtlantic and Viking Supply Ships has continued during the first half year of 2014, where the TransAtlantic related business and shareholdings has been transferred from the Parent Company Rederi AB Transatlantic to its wholly owned subsidiary TransAtlantic AB. This is reflected in the Parent Company's income statement and balance sheet, where turnover and assets have reduced compared to last year.

During the second quarter most of the remaining business activities, Ship Management and administrative services for TransAtlantic, have been transferred to TransAtlantic AB and TransAtlantic Ship Management AB. The remaining activity in the Parent Company will, when the restructuring is completed, mainly consist of the shareholdings in TransAtlantic AB and Viking Supply Ships A/S, parent companies for the two business areas respectively, as well as very limited Group wide administration.

The new share issue that was completed in June brought net SEK 145 M after issuance costs to the Parent Company.

At end of the period the Parent Company's equity amounted to SEK 2 443 M (2 388 on Dec 31, 2013), total assets to SEK 2 782 M (2 726 on Dec 31, 2013). The equity/assets ratio on the balance day was 88 % (88 on Dec 31, 2013). Cash and cash equivalents at the end of the period amounted to SEK 119 M (105 on Dec 31, 2013).

Number of shares

Share distribution on September 30, 2014 is presented below:

Number of Series A shares	11 634 946
<u>Number of Series B shares, listed</u>	<u>165 809 372</u>
Total number of shares	177 444 318

See also Changes in Group's shareholders' equity, page 16.

Other

Corporate tax

The general situation for the Group is that taxes payable are limited to foreign entities. Accordingly, recognized corporate tax mainly comprises deferred tax. The tax losses carry forward amounted at end of the period, net for Swedish entities, to SEK 993 M, of which SEK 182 M corresponding to a tax value of SEK 40M have been capitalized and considered likely to be offset against future taxable profits. The recognized net deferred tax asset for the Swedish operations amounted by the end of the period to SEK 40 M (40, on Dec 31, 2013). The recognized deferred tax liability for the operations outside Sweden amounted to SEK 11 M (0, on Dec 31, 2013).

Transactions with closely related parties

Kistefos has, through a consultancy agreement, made management and financial services available to the Group, for which compensation has been paid to a total of SEK 3 M for the nine month period.

TransAtlantic had until April 16, 2014, a long term lease of a container ship, TransAlrek, owned by a German shipping company, in which TransAtlantic's Vice Chairman Folke Patriksson has a minority interest via his company Enneff Rederi AB. The agreement was on market terms and was agreed to run until December 31, 2014 with a quarterly rent of SEK 2.7 M. As the vessel was no longer required in TransAtlantic's operations, the agreement was terminated prematurely. For the first half year, until the termination date of April 16, TransAtlantic paid SEK 3.2 M under this agreement. A new agreement was at the same time entered into with the ship owner where TransAtlantic shall compensate the ship owner for the difference between the negotiated day rate in the original agreement and the day rates obtained by the ship owner in a new external lease agreement until December 31, 2014. From April 17 until September 30, 2014, TransAtlantic has paid SEK 1.0 M in such compensation.

After approval at the Annual General Shareholder's meeting held in April 2014, the two subsidiaries Daugava Shipping Services SIA and Transatlantic Spolka z.o.o were divested to the companies' respective CEO. These transactions did not materially impact the Groups financial position.

Apart from above, there were no other significant transactions with closely related parties.

Risks and uncertainties

Rederi AB Transatlantic operates in a highly competitive market. The business area TransAtlantic operates in a market with negative growth and competitive profit margins. Rederi AB Transatlantic is exposed to various operational and financial risk factors. The financial risk is mainly related to liquidity risk, funding risk and currency risk.

The main operational risk factors relates to the overall macroeconomic market conditions, degree of competition, flow of goods in prioritized market segments and finally the overall balance of supply and demand of vessels, affecting rates and profit margins.

The objective of the overall risk management policy of the Group is to ensure a balanced risk and return relationship.

The refinancing of the loans that have been completed within Viking Supply Ships has ensured a satisfactory financing situation for the Group.

The political situation in Ukraine, and the sanctions against Russia, have not yet affected Viking Supply Ships but the recent sanctions from the US have affected US companies operating in Russia. It is difficult to assess the future impact of these sanctions. Viking Supply Ships is carefully monitoring the development to protect its interests in the region.

Accounting policies

This interim report, for the Group, was prepared in accordance with the application of IAS 34 Interim Financial Reporting and applicable rules in the Swedish Annual Accounts Act and for the Parent Company, in accordance with the Swedish Annual Accounts Act and the Swedish Financial Reporting Board's recommendation FRF 2 Accounting for Legal Entities. Unless otherwise noted, the same accounting policies for both the Group and the Parent Company have been applied as those used in the most recent Annual Report.

Viking Supply Ships publish a separate report as a result of the issued debt certificates. Some values in that report are not comparable to the values in this report, as a result of different acquisition values and depreciation schedules between Viking Supply Ships and the Group. Viking Supply Ships has as of Q3 2011 been built through Group-internal transfers of vessels and operations at then current marketing prices, which is why differences in acquisition values have arisen.

Number of employees

The average number of full time employees in the Group during nine month period was 848 (Jan-Dec 2013: 866). The decrease relates to a reduction of ashore employees within business area TransAtlantic.

Events after the close of the reporting period

Viking Supply Ships has received an early termination for AHTS vessel Loke Viking, which applies for the 2015 drilling season, as well as remaining optional periods of the contract.

Viking Supply Ships is entitled to an early termination fee.

Viking Supply Ships has purchased the PSV vessel Freyja Viking which has been on a long term bareboat contract to Viking Supply Ships. To finance the purchase, Viking Supply Ships has drawn the last tranche on the secured bank loan financing the PSV vessels.

A RoRo contract with a major customer will cease around year end 2014/2015 and will not be renewed, which will impact turnover in 2015 but will have only limited direct impact on profit. Partly as a consequence, the Company is evaluating continued adjustments of the liner structure and vessel capacity in order to optimize operations based on demand and environmental requirements.

Press and analyst conference

In conjunction with the publication of this interim report, an earnings call will take place on October 30, 2014 at 10.00 am (CET) with Rederi AB Transatlantic's CEO, Tom Ruud and CFO Tomas Bergendahl. In connection with the conference, a presentation will be available on the company's website, www.rabt.se. Please see Investor Relations/presentations.

This information is such that Rederi AB Transatlantic is obligated to publish in accordance with the Swedish Securities Act and/or the Swedish Financial Instruments Trading Act. This report has been prepared in both Swedish and English versions. In case of variations in the content between the two versions, the Swedish version shall govern. This report was submitted for publication at 8:30 am (CET) on October 30, 2014.

The undersigned certify that the interim report gives a true and fair picture of the Group's financial position and results, and describes material risks and uncertainties facing the Parent Company and the companies included in the Group.

Gothenburg, October 30, 2014

Rederi AB Transatlantic

The Board of Directors of Rederi AB Transatlantic

Investor relations - please contact CFO Tomas Bergendahl, ph +46 (0) 31-763 2378.

Financial calendar 2015

February 12 Interim report January-December
April 9 Annual General Meeting

The interim report is available in its entirety on the company's website, www.rabt.se.

Review report

Rederi AB TransAtlantic, corporate identity number 556161-0113

Introduction

We have reviewed the condensed interim report for Rederi AB TransAtlantic as at September 30, 2014 and for the nine months period then ended. The Board of Directors and the Managing Director are responsible for the preparation and presentation of this interim report in accordance with IAS 34 and the Swedish Annual Accounts Act. Our responsibility is to express a conclusion on this interim report based on our review.

Scope of review

We conducted our review in accordance with the International Standard on Review Engagements, ISRE 2410 *Review of Interim Financial Statements Performed by the Independent Auditor of the Entity*. A review consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and other generally accepted auditing standards in Sweden. The procedures performed in a review do not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the interim report is not prepared, in all material aspects, in accordance with IAS 34 and the Swedish Annual Accounts Act regarding the Group, and in accordance with the Swedish Annual Accounts Act regarding the Parent Company.

Gothenburg, October 30, 2014

Ernst & Young AB

Staffan Landén
Authorized Public Accountant

Consolidated income statement

All amounts in SEK M	July - September		January - September		Full Year
	2014	2013	2014	2013	2013
Net sales	930	753	2 396	2 264	2 925
Other operating revenue	0	4	0	105	107
Direct voyage cost	-139	-283	-520	-904	-1 059
Personnel costs	-185	-170	-553	-540	-710
Other costs	-303	-196	-888	-726	-991
Depreciation/impairment	-57	-57	-163	-231	-465
Operating result	246	51	272	-32	-193
Net financial items	-69	-7	-168	-104	-128
Result before tax	177	44	104	-136	-321
Tax	-7	-1	-12	-20	-38
Result for the period	170	43	92	-156	-359
<i>Attributable to:</i>					
Parent Company's shareholders	170	43	98	-150	-353
Non-controlling interests	0	0	-6	-6	-6
INCOME FOR THE PERIOD	170	43	92	-156	-359
Earnings attributable to Parent Company's shareholders, per share in SEK (before and after dilution)	1.0	0.4	0.6	-1.4	-3.1

Consolidated statement of comprehensive income

All amounts in SEK M	July - September		January - September		Full Year
	2014	2013	2014	2013	2013
Result for the period	170	43	92	-156	-359
<i>Other comprehensive income for the period:</i>					
Change in hedging reserve, net	0	0	0	0	0
Change in translation reserve, net	41	-65	96	-152	-140
Other comprehensive income	41	-65	96	-152	-140
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD	211	-22	188	-308	-499
<i>Total comprehensive income attributable to:</i>					
Parent Company's shareholders	211	-22	188	-302	-493
Non-controlling interests	0	0	0	-6	-6
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD	211	-22	188	-308	-499

Net sales by business area

All amounts in SEK M	July - September		January - September		Full Year
	2014	2013	2014	2013	2013
Viking Supply Ships	621	326	1 382	859	1 138
TransAtlantic	309	427	1 014	1 405	1 787
TOTAL NET SALES	930	753	2 396	2 264	2 925

Result before tax by business area

All amounts in SEK M	July - September		January - September		Full Year
	2014	2013	2014	2013	2013
Viking Supply Ships	183	100	214	41	50
TransAtlantic	0	-51	-40	-154	-187
OPERATIONAL RESULT BEFORE TAX	183	49	174	-113	-137
Restructuring items	-6	-5	-70	-23	-184
RESULT BEFORE TAX	177	44	104	-136	-321
<i>Attributable to:</i>					
Parent Company's shareholders	177	44	104	-130	-315
Non-controlling interests	0	0	0	-6	-6

Assets allocated by business area

All amounts in SEK M	30.9.2014	31.12.2013
Viking Supply Ships	4 806	4 326
TransAtlantic	528	558
TOTAL ASSETS	5 334	4 884

Consolidated balance sheet

All amounts in SEK M	30.9.2014	31.12.2013
Vessels	4 187	3 925
Other tangible fixed assets	8	12
Intangible fixed assets	7	7
Financial assets	123	141
Total fixed assets	4 325	4 085
Current assets	1 009	799
TOTAL ASSETS	5 334	4 884
Shareholders' equity	2 082	1 749
Long-term liabilities	2 536	2 411
Current liabilities	716	724
TOTAL SHAREHOLDERS' EQUITY, PROVISIONS AND LIABILITIES	5 334	4 884

Valuation of financial assets and liabilities

The valuation of financial assets and liabilities in the balance sheet are based on acquisition value or fair value. The valuation of FX derivatives and interest rate derivatives are based on fair value. The balance items "Long-term liabilities" includes derivatives by SEK 21 M (25), and "Current liabilities" by SEK 0 M (0). Valuation of other financial assets and liabilities items in the balance sheets are based on acquisition value.

Assessment of fair value of financial instruments

The input used in the valuation of financial instruments base the three level classification: Level 1, fair values based on market values, where the instruments are traded on an active market, are available. Level 2, no market values based on an active market are available, valuations are instead based on measurements of discounted cash flows. Level 3, at least one variable is based on own assessments. The fair value valuation of the Group's FX- and interest rate instruments are based on input according to level 2.

Consolidated cash-flow statement

MSEK	July - September		January - September		Full Year
	2014	2013	2014	2013	2013
Cash flow from operations before changes in working capital	220	39	251	26	56
Changes in working capital	-140	-79	-130	-64	6
Cash flow from current operations	80	-40	121	-38	62
Cash flow from investing activities	-8	73	-146	3	-4
Cash flow from financing activities	-96	-129	73	67	-30
Changes in cash and cash equivalents	-24	-96	48	32	28
Cash and cash equivalents at beginning of period	461	491	381	361	361
Exchange-rate difference in cash and cash equivalents	10	-10	18	-8	-8
CASH AND CASH EQUIVALENTS AT END OF PERIOD	447	385	447	385	381

Changes in the Group's shareholders' equity

All amounts in SEK M	July - September		January - September		Full Year
	2014	2013	2014	2013	2013
Equity at beginning of period	1 871	1 819	1 749	2 105	2 104
New share issue less cost for issuance	-	-	145	-	144
Total comprehensive income for the period	211	-22	188	-308	-499
SHAREHOLDERS' EQUITY AT END OF PERIOD	2 082	1 797	2 082	1 797	1 749

Share capital in SEK M	July - September		January - September		Full Year
	2014	2013	2014	2013	2013
Share capital at beginning of period	177	111	148	111	111
New share issue	-	-	29	-	37
Share capital at end of period	177	111	177	111	148

Number of shares ('000)	July - September		January - September		Full Year
	2014	2013	2014	2013	2013
Number of outstanding shares at beginning of period	177 444	110 903	147 870	110 903	110 903
New issued shares	-	-	29 574	-	36 967
Total number of shares at end of period	177 444	110 903	177 444	110 903	147 870
Average number of shares outstanding ('000)	177 444	110 903	160 545	110 903	112 726

Data per share

All amounts in SEK	July - September		January - September		Full Year
	2014	2013	2014	2013	2013
Earnings before capital expenses (EBITDA)	1.7	1.0	2.7	1.8	2.4
Operating result (EBIT)	1.4	0.5	1.7	-0.3	-1.7
Result after current tax	1.0	0.4	0.6	-1.2	-2.9
Result after full tax	1.0	0.4	0.6	-1.4	-3.2
Shareholders' equity end of period incl. non-contr. intere	11.7	16.2	11.7	16.2	11.8
Operating cash flow	1.3	0.9	1.8	0.9	1.3
Total cash flow	-0.1	-0.9	0.3	0.3	0.3

Key data

		July - September		January - September		Full Year
		2014	2013	2014	2013	2013
Earnings before capital expenses (EBITDA)	SEK M	302	108	435	199	270
Operating result (EBIT)	SEK M	246	51	272	-32	-193
Shareholders' equity	SEK M	2 082	1 797	2 082	1 797	1 749
Net indebtedness	SEK M	2 315	2 471	2 315	2 471	2 268
Operating cash flow	SEK M	233	102	283	95	144
Total cash flow	SEK M	-25	-96	47	32	28
Return on capital employed	%	20.7	4.2	7.8	-0.9	-4.1
Return on shareholders' equity	%	34.3	9.5	6.4	-10.7	-18.6
Equity/assets ratio	%	39.0	34.5	39.0	34.5	35.8
Debt/equity ratio	%	111.2	137.5	111.2	137.5	130.0
Profit margin	%	19.0	5.9	4.3	-6.0	-11.0

Parent Company income statement

All amounts in SEK M	July - September		January - September		Full Year
	2014	2013	2014	2013	2013
Net sales	84	292	237	872	1 132
Other operating revenue	0	4	0	105	107
Direct voyage costs	0	-127	0	-386	-496
Personnel costs	-1	-37	-65	-117	-160
Other costs	-85	-162	-176	-534	-613
Depreciation/impairment	0	-1	0	-4	-24
Operating result	-2	-31	-4	-64	-54
Net financial items	-93	-75	-86	-76	-285
Result before tax	-95	-106	-90	-140	-339
Tax on result for the year	-	-1	-	-20	-23
RESULT FOR THE PERIOD	-95	-107	-90	-160	-362
Other comprehensive income	-	-	-	-	-
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD	-95	-107	-90	-160	-362

Parent Company balance sheet

All amounts in SEK M	30.9.2014	31.12.2013
Tangible fixed assets	-	2
Financial fixed assets	2 637	2 539
Total fixed assets	2 637	2 541
Current assets	145	185
TOTAL ASSETS	2 782	2 726
Shareholders' equity	2 443	2 388
Provisions	6	6
Longterm liabilities	219	175
Current liabilities	114	157
TOTAL SHAREHOLDERS' EQUITY, PROVISIONS AND LIABILITIES	2 782	2 726

Definitions

Capital employed

Interest-bearing liabilities and shareholders' equity.

Debt/equity ratio

Interest-bearing liabilities minus cash and cash equivalents divided by shareholders' equity.

Earnings per share

Profit after financial items less 1) current tax, 2) tax on profit for the year (current and deferred tax) in accordance with the consolidated income statement.

EBIT

Earnings before interest and taxes.

EBITDA

Earnings before interest, taxes, depreciation and amortization, corresponding to profit/loss before capital expenses and tax.

Equity/assets ratio

Shareholders' equity divided by total assets.

Equity per share

Equity divided by the number of shares outstanding.

IFRS

International Financial Reporting Standards – an international accounting standard used by all listed companies. Some older standards included in IFRS include IAS (International Accounting Standards).

Net indebtedness

Interest-bearing liabilities less cash and cash equivalents.

Operating cash flow

Profit/loss after financial income/expense adjusted for capital gains/losses, depreciation/amortization and impairment.

Operating profit/loss (before tax)

Profit/loss before tax and before restructuring costs.

Operating profit/loss

Profit/loss before financial items and tax, and before restructuring costs.

Profit margin

Profit after financial items divided by net sales.

Return on equity

Profit after financial items less tax on profit for the year, divided by average shareholders' equity.

Return on capital employed

Profit before interest and tax (EBIT) divided by average capital employed.

Restructuring costs

Includes revenues and expenses of a non-recurring nature, such as capital gains/losses from the sale of vessels, impairment of vessels and costs related to personnel cutbacks.

Share of interest-bearing capital

Equity and deferred tax (including minority share) divided by total assets.

Total cash flow

Cash flow from operating activities, investing activities and financing activities



Rederi AB TransAtlantic (RABT) is a leading Swedish shipping company headquartered in Gothenburg, Sweden. Rederi AB Transatlantic is organized into two business areas: Viking Supply Ships and TransAtlantic. Viking Supply Ships is active in offshore and icebreaking. The TransAtlantic business area is primarily focused on liner services with Container and RoRo vessels. The Group has about 850 employees and generated sales of SEK 2 925 M in 2013. The company's Series B shares are listed on the NASDAQ OMX Stockholm, Small Cap segment.

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