

Press release

30 October, 2014

TransAtlantic Interim Report January – September 2014

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)
- 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)
- 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 agreements 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.

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.

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.

Telephone number: +46 (0) 8 505 204 24

Password: TransAtlantic

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

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

Investor Relations

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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: TransAtlantic and Viking Supply Ships. The company has about 780 employees and the turnover in 2013 was MSEK 2 925. The TransAtlantic 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

Rederi AB 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 October 30, 2014 at 08:30 a.m.