



Q4

Year-end report 2014

February 12, 2015 from Rederi AB Transatlantic (publ)



Year-end report 2014, January - December

Fourth quarter 2014

- Net revenues amounted to SEK 794 M (661)
- Result before capital costs, EBITDA, amounted to SEK 260 M (71)
- Operational result before tax amounted to SEK 122 M (-24)
- Result before tax amounted to SEK 113 M (-185)
- Result after tax amounted to SEK 108 M (-203)
- Earnings per share after tax amounted to SEK 0.6 (-1.7)

January - December 2014

- Net revenues amounted to SEK 3 190 M (2 925)
- Result before capital costs, EBITDA, amounted to SEK 695 M (270)
- Operational result before tax amounted to SEK 296 M (-137)
- Result before tax amounted to SEK 217 M (-321)
- Result after tax amounted to SEK 200 M (-359)
- Earnings per share after tax amounted to SEK 1.2 (-3.2)

Major events third quarter

- The Group's operational quarterly result amounted SEK 122 M (-24) which is an improvement compared to the previous year. In addition, restructuring items and provisions for loss contracts have impacted the quarterly result by SEK -9 M (-161).
- Sakhalin Energy exercised the 2nd of its three four-month options on Vidar Viking. The vessel is on contract until August 2015.
- Viking Supply Ships acquired the PSV vessel Freyja Viking, which has been on long-term bareboat charter to Viking Supply Ships. The purchase was made by exercising a call option at a price below the market value. To finance the purchase, VSS utilized the final tranche of the secured loan that the company has to finance its PSV fleet.
- The consulting project in the Kara Sea was successfully completed in 2014 but has been terminated ahead of the 2015 drilling season as an indirect result of the sanctions against Russia.
- VSS recognized contractual cancellation compensation as income for Tor, Loke, Brage, Magne and Balder Viking.
- A RoRo contract with a major customer which expired in December 2014 will not be renewed, which will affect the turnover but has limited direct impact on profit. As a consequence two RoRo vessels that TransAtlantic had on time charter were returned.
- TransAtlantic entered into a contract for the sale of the bulk vessel TransForte, which generated a bookgain of SEK 11 M.
- TransAtlantic provided, in accordance with the financing contract of TransFighter, additional collateral in the form of a pledge of USD 3.6 M.

Major events after the third quarter

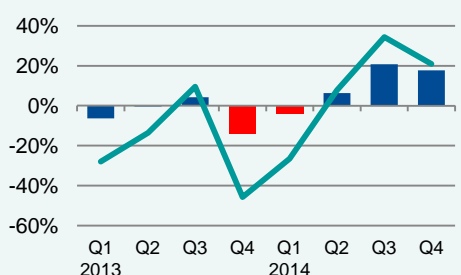
- Viking Supply Ships has, in accordance with the financing agreement and due to the reduced contract coverage rate for parts of the AHTS fleet, been requested to pledge additional collateral by depositing an amount of up to USD 18.8 M into an earnings account. Negotiations are ongoing with the lender to determine the account terms of the deposit, which will be reversed when the contract coverage ratio is restored.
- The sale of the bulk vessel TransForte was concluded in February with a positive cash effect of 3 MSEK.
- TransAtlantic signed an agency contract with MannLines BV, which will take over TransAtlantic's operations in Antwerp.

Key data, January - December

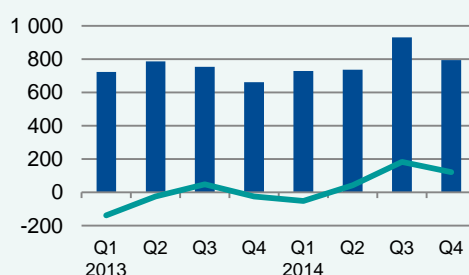
	2014	2013
Net sales, SEK M	3 190	2 925
Earnings before capital expenses (EBITDA), SEK M	695	270
Operational result before tax, SEK M ¹	296	-137
Result before tax, SEK M	217	-321
Result after tax, SEK M	200	-359
Earnings per share after tax, SEK	1.2	-3.2
Shareholders' equity per share, SEK	11.5	11.8
Return on equity, %	10.5	-18.6
Return on capital employed, %	10.6	-4.1
Equity/asset ratio at balance day, %	38.8	35.8

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

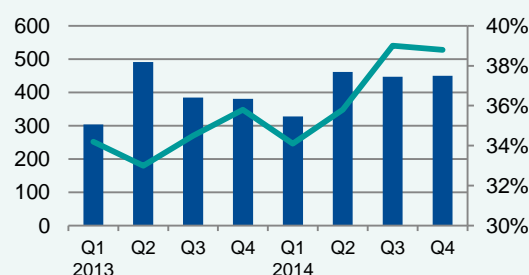
Return on capital employed and shareholders' equity, %



Net sales and operational profit, SEK M



Liquidity and equity/assets ratio SEK M and %



CEO statement

The fourth quarter of 2014 brought a positive result for the Group, which was significantly better than the period last year. This was mainly driven by the business area Viking Supply Ships, which reported an improved result for the period. Although the business area TransAtlantic recorded a loss for the quarter, this is an improvement in the result compared with the fourth quarter of 2013. Despite the favorable result trend, profitability for the business area is not yet at a satisfactory level. The restructuring measures to achieve this is proceeding to plan. For the fourth quarter, the Group's result before tax amounted to SEK 113 M (-185), impacted by restructuring costs totaling SEK -9 M (-161).

Viking Supply Ships

The quarter brought an improvement in both sales and result compared with the same period last year. The rate level for the AHTS vessels increased during the quarter, while the utilization rate declined. During the period, three out of eight AHTS vessels were on term contract, while five operated on the spot market for most of the quarter. As announced earlier, during the second and fourth quarters, Viking Supply Ships received early cancellations for a total of five AHTS vessels for the 2015 drilling season and remaining option periods for four of them. The cancellation for four of the vessels is an indirect effect of the sanctions against Russia. This provides entitlement to compensation, which is included in the result for the fourth quarter. For the PSV segment, both the rate level and the utilization level declined during the quarter. During the quarter, all five vessels operated in the North Sea spot market. The market was negatively impacted at the end of the period as a result of seasonal variations and a general weakening of the market. The PSV vessel Freyja Viking was acquired during the quarter by exercising a call option at a price below the market value. Financing of the acquisition was secured by exercising the final loan tranche of the earlier secured credit facility pertaining to the PSV fleet. During the period, the operations for the Services and Ship Management segments were conducted according to plan. A decision was made to establish the business area's Service segment as an independent company as of January 2015 under the name Viking Ice Consultancy.

TransAtlantic

As in earlier quarters, TransAtlantic remains exposed to weak market conditions. The result for the quarter was negative, but an improvement compared with the year-earlier period, mainly as a result of the ongoing structural cost reduction process. However, the result remains unsatisfactory. The sales trend was negative, mainly due to divested and discontinued operations. The restructuring activities remain in focus and are aimed to achieve a more distinct business model that focuses on RoRo and Container Feeder

service. A RoRo contract with a major customer that ended in December 2014 will not be renewed, which will impact sales but with a limited direct impact on profit. Partly as a consequence of this, the company is evaluating continued adaptation of the line structure and vessel capacity to optimize operations based on demand and environmental requirements.

Group

No major events occurred pertaining to Group-wide activities during the period. The work to split the Group is ongoing.

Outlook

The market conditions for the Viking Supply Ships business area are expected to remain weak in the first quarter of 2015 in line with the developments that occurred at the end of the fourth quarter of 2014, mainly due to the weaker oil market, but also as a result of the generally weak winter season. The work to increase the share of long-term contracts in the business area remains a focus.

The market for TransAtlantic is expected to remain weak and the business area's earnings capacity will remain sensitive to volume changes. Restructuring and efficiency efforts are ongoing but approaching their conclusion, although we anticipate implementing further cost savings to enhance 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, February 12, 2015



Tom Ruud,
President and CEO

Consolidated earnings for January-December

Consolidated net sales for the full year 2014 amounted to SEK 3 190 M (2 925). The Group reported a result after tax of SEK 200 M (-359), of which net restructuring costs and acquisition effects amounted a total of SEK -79 M (-184). The result before tax amounted to SEK 217 M (-321). The major restructuring items consisted of provisions for the closing of TransPal Line and associated terminal of SEK -53 M, provisions of loss contracts and other of SEK -31 M and adjustments of shipvalues with an aggregate net effect of SEK 5 M. All restructuring items for the year affect the business area TransAtlantic.

Transatlantic Group

SEK M	October - December		January - December	
	2014	2013	2014	2013
Net sales	794	661	3 190	2 925
Result before capital costs, EBITDA	260	71	695	270
Operating result, EBIT	212	-162	484	-193
Result before tax	113	-185	217	-321
Profit margin %	14.3	-28.0	6.8	-11.0

Result before tax by business area

Viking Supply Ships	131	9	345	50
TransAtlantic	-9	-33	-49	-187
Total operational result	122	-24	296	-137
Restructuring items	-9	-161	-79	-184
Result before tax	113	-185	217	-321
Tax	-5	-18	-17	-38
Result for the period	108	-203	200	-359
Profit per share, SEK	0.6	-1.7	1.2	-3.2

For further information, please see tables on page 13-17.

Financial position, investments and divestments

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

Consolidated cash-flow statement

SEK M	October - December		January - December	
	2014	2013	2014	2013
Cash flow from operation before change in working capital	276	30	527	56
Changes in working capital	33	70	-97	6
Cash flow from current operations	309	100	430	62
Cash flow from investing activities	-87	-7	-132	-4
Cash flow from financing activities	-223	-97	-251	-30
Changes in cash and cash equivalents	-1	-4	47	28
Cash and cash equivalents at beginning of period	447	385	381	361
Exchange-rate difference in cash and cash equivalents	4	0	22	-8
Cash and cash equivalents at end of period	450	381	450	381

Financial position, investments and divestments (cont.)

Consolidated cash and cash equivalents at the end of the year amounted to SEK 450 M (381) for the Group. Cash assets include unavailable client funds of SEK 56 M. The Group has loan agreements containing cash covenants which require the cash level to be the highest of either 5% of interest-bearing debt or the equivalent of SEK 130 M.

At the end of period, the Group's equity amounted to SEK 2 042 M (11.5 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 200 M due to the full year profit. Further, a change in the translation reserve of SEK -50 M attributable to currency differences on net investments in subsidiaries with functional currencies other than SEK has had a negative effect.

Gross investments during the period amounted to SEK 419 M (75) before financing. These consisted mainly of the acquisition of the PSV-vessels SBS Sol Viking (previous SBS Typhoon) and Freyja Viking by use of call options, capitalized docking expenses and complementary investments in vessels mainly within Viking Supply Ships, high yield bonds (not issued by VSS) of 47 MSEK and 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 AHTS-vessels Magne- and Brage Viking within Viking Supply Ships was refinanced 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 own issued debt certificates was repurchased during the third quarter.

In the fourth quarter own issued debt certificates to the amount of 50 MNOK was repurchased. Debt certificates at the total amount of NOK 274 M has been repaid/repurchased during the year. At the end of the year outstanding issued debt certificates amounted to NOK 196 M. During the fourth quarter loans was repaid by SEK 160 M.

TransAtlantic has, in accordance with the financing contract of TransFighter, provided additional collateral in the form of a pledge of USD 3.6 M.

Financial position

At close of each period	31.12.2014	31.12.2013
Total assets, SEK M	5 260	4 884
Shareholders' equity, SEK M	2 042	1 749
Equity/assets ratio, %	38.8	35.8
Debt/equity ratio, %	109.9	130.0
Cash and cash equivalents, SEK M	450	381
Number of shares outstanding ('000)	177 444	147 870

TransAtlantic business area

The business area offers liner services in 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 fourth quarter amounted to SEK -9 M (-33) despite a decline in sales of SEK 103 M during the quarter, corresponding to a year-on-year decrease of 28%. The decrease mainly relates to the outsourcing of the Short Sea Bulk business, the discontinuation of TransPal Line (TPL), and the downsizing of Other businesses. Despite a continued weak underlying market, the results for the business stabilized after the second quarter as a result of effective restructuring efforts.

Restructuring continued during the quarter toward a more distinct business model focused on RoRo and Container Feeder service. The business area's structure has been reorganized as a separate group held by the Parent Company, Rederi AB Transatlantic (RABT) in which the liner services and Ship management are separately organized. The work to adjust the organization to the requirements of the business is largely complete. The number of full-time shore employees at the end of the period amounted to 47, which was a reduction of 82 since the beginning of the year.

RoRo

The scheduled liner service between Finland and Germany/Belgium with TransLumi Line (TLL) and TransBothnia Line (TBL) proceeded with satisfactory volumes in October and November. Additional port calls in Sweden contributed more volume, which eased the impact of the weak Finnish market. From December onward, the liner operation was taken over by the customer. As a consequence, TransAtlantic is currently looking for employment for two RoRo-vessels previously employed on TBL. One of the vessels is currently on a short term time charter.

Container Feeder

The container business is conducted in three different liner services, TransFeeder North (TFN),

TransBothnia Container Line (TBCL) and TransFeeder South (TFS) between the markets of Finland, Sweden, Germany and Belgium. The schedules and vessel capacity have been adapted to market conditions, which contributed to the improved result. The new port call in Piteå within the TBCL system is a breakthrough in northern Sweden and has created a new market for the business since June, and as of September a new weekly service has been introduced. As of December, TBCL also calls at Oulu and Kemi in Finland, creating a streamlined container product from Northern Finland to Benelux.

The volumes on TFN had a negative trend affected by the Finnish economy. However, earning levels were offset by the closure of TPL and positive developments on other lines.

Other businesses

The remaining chartering businesses with mid-sized bulk vessels and RoRo vessels not utilized in liner services performed better during the period than in the preceding year. The partnership related to the small bulk vessels has proven successful and made a positive contribution.

Outlook

TransAtlantic's strategy aims to further strengthen the position in the Baltic Sea area and secure the business in the RoRo and Container Feeder segments. As a result of effective restructuring, a more stable and flexible strategic position has been created on which the business area will continue to build, with the objective of attaining profitable growth.

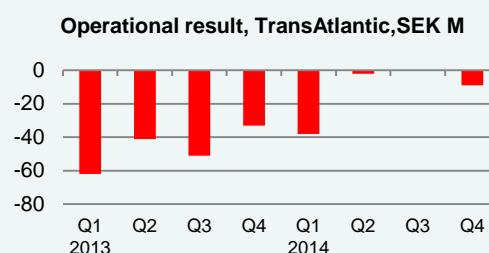
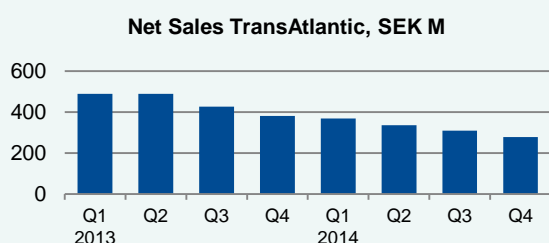
A RoRo contract with a major customer that ended in December 2014 will not be renewed, which will impact sales, but with a limited direct impact on profit. Partly as a result of this, the company is evaluating continued adaptation of the liner structure and vessel capacity to optimize the business based on demand and environmental requirements.

TransAtlantic business area (cont.)

TransAtlantic

SEK M	October - December		January - December	
	2014	2013	2014	2013
Net sales	279	382	1 293	1 787
EBITDA	-19	-9	-88	-83
Result before tax	-18	-106	-128	-283
Operational result ¹⁾	-9	-33	-49	-187
Operational profit margin	-3%	-9%	-4%	-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 in the global offshore sector. The fleet comprises 13 offshore vessels, of which seven are equipped for operating in ice and harsh environments, such as Arctic regions.

Viking Supply Ships' operational result for the quarter amounted to SEK 131 M (9). The operational result for the quarter was lower compared with the third quarter of 2014 due to the seasonally lower level of activity and the reduced rate of contract coverage. Compared with the year-earlier quarter in 2013, operational changes, an improved market and cancellation fees had a positive impact on earnings of SEK 122 M.

Anchor Handling Tug Supply (AHTS)

Since four vessels returned from seasonal term contracts by the end of October, five vessels have been trading the North Sea spot market. Three vessels have been operating on term charters, two in the Sea of Okhotsk and one in the Norwegian Barents Sea.

The company is currently pursuing additional term contracts for the AHTS vessels, and has a positive

long term outlook for the harsh environment offshore market despite the reduced oil price and current soft market conditions.

The North Sea spot market was characterized by high activity in the beginning of the quarter, with rates remaining solid through the first half of November. Activity was however reduced by the end of November and through December, with ample supply as a result.

For the fourth quarter the VSS AHTS fleet as a whole obtained an average fixture rate of SEK 518 T (SEK 344) and a utilization of 73 % (77).

During the quarter, Viking Supply Ships recognized as revenue the cancellation compensation announced earlier for the premature cancellation of Tor Viking for the 2014 drilling season.

As previously communicated, VSS has received an early termination of the contract for Loke-, Brage-, Magne- and Balder Viking, which applies for the 2015 and optional 2016 and 2017 drilling seasons. According to the contract VSS is entitled to an early termination fee which has been included in the Q4 2014 results.

Sakhalin Energy exercised the second of three four-month options for Vidar Viking. The vessel's contract now runs until August 2015.

Platform Supply Vessels (PSV)

During the fourth quarter of 2014, all five vessels traded on the North Sea spot market. A surplus offering resulted in a challenging market for mid-sized vessels in the region and Viking Supply Ships is currently considering potential contract opportunities in the North Sea and adjacent regions.

The North Sea spot market in October and November remained at the levels seen in previous quarters, but seasonally low activity in December meant that both rates and utilization were reduced during the last month of the quarter.

For the fourth quarter the PSV fleet as a whole obtained an average fixture rate of SEK 93 T (114) and a utilization of 49 % (65).

Viking Supply Ships acquired the PSV vessel Freyja Viking which was on long-term bareboat charter to Viking Supply Ships, through the exercise of a call option at a price below market value. To finance the purchase of Freyja Viking, Viking Supply Ships utilized the final tranche of the secured loan that the company has to finance its PSV fleet.

Services och Ship Management

In the Services segment the Kara Sea Consultancy Project has been progressing according to the

project plan. The 2014 season of the Kara Sea Consultancy Project was completed successfully.

Despite the termination of the 2015 drilling season, VSS has initiated discussions with the customer regarding a limited work scope for the 2015 season including services such as monitoring and maintenance. The Shore Operations Center in Moscow is on stand by. Viking Supply Ships is also considering other consultancy agreements for the 2015 season.

It has been decided to establish the Services segment as a stand-alone legal entity within VSS effective January 2015. The legal entity will be named Viking Ice Consultancy and be based in Kristiansand, Norway.

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

Outlook

The winter season is usually a low-activity period and the weak market can be expected to continue for the first quarter of 2015. The demand for offshore vessels is expected to be continuously weak but with temporary better periods. The market is expected to be affected by a weak oil market, increased cost focus in the oil companies and over-supply of vessels. Despite this, Viking Supply Ships has identified a number of contract opportunities in areas with ice and harsh environment which is actively canvassed.

Viking Supply Ships

SEK M	October - December		January - December	
	2014	2013	2014	2013
Net sales	515	279	1 897	1 138
EBITDA	279	80	783	353
Result before tax	131	-79	345	-38
Operational result ¹⁾	131	9	345	50
Operational profit margin	25%	3%	18%	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 year amounted to SEK -114 M (-362). The result was negatively affected by book losses and impairment losses related to shares in subsidiaries of SEK -110 M.

As part of the effort to simplify the Group's legal structure a transfer of the TransAtlantic related business and shareholdings was initiated at the end of 2013 from the parent company Rederi AB Transatlantic to the 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 2014 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 year the Parent Company's equity amounted to SEK 2 417 M (2 388 on Dec 31, 2013), total assets to SEK 2 723 M (2 726 on Dec 31, 2013). The equity/assets ratio on the balance day was 89 % (88 on Dec 31, 2013). Cash and cash equivalents at the end of the period amounted to SEK 97 M (105 on Dec 31, 2013).

Number of shares

Share distribution on December 31, 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 1 010 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 16 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 4 M for the full year.

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 1.7 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 highly competitive markets and 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 business area TransAtlantic operates in a market with negative growth and competitive profit margins. The market for Viking Supply Ships is in a high degree dependent on the investment level in the oil industry which in turn is driven by the oil price development on the global market. The refinancing of the loans that have been completed within Viking Supply Ships has ensured a long term financing structure to the Group. The political situation in Ukraine, and the sanctions against Russia, have indirectly affected Viking Supply Ships through the earlier published contract cancellations. It is difficult to assess the long term 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 for the year was 796 (Jan-Dec 2013: 866).

Events after the close of the reporting period

The early termination of a contract in December 2014 entered by Viking Supply Ships led, in accordance with the related finance agreement, to insufficient contract coverage ratio for the concerned AHTS-vessels. Viking Supply Ships has, in accordance with the financing agreement and due to the reduced contract coverage rate for parts of the AHTS fleet, been requested to pledge additional collateral by depositing an amount of up to USD 18.8 M into an earnings account. Negotiations are ongoing with the lender to determine the account terms of the deposit, which will be reversed when the contract coverage ratio is restored. The amount

of the deposit will vary (up and down) by such events as currency fluctuations and amortizations of the loan. If the vessels anew reach the contract coverage ratio determined by the loan agreement, the obligation to pledge additional collateral deposits will be removed.

The sale of the bulk vessel TransForte was concluded in February with a positive cash effect of 3 MSEK.

TransAtlantic signed an agency contract with MannLines BV, which will take over TransAtlantic's operations in Antwerp.

Annual Report

Rederi AB TransAtlantic's Annual will be available on the website: www.rabt.com during week 12.

Annual General Meeting

Rederi AB TransAtlantic's Annual General Meeting will be held on Thursday, April 9. The notice convening the Annual General Meeting will be published not later than four weeks prior to this date.

Nominations Committee

Information on the Nominations Committee is available on the website: www.rabt.com

Press and analyst conference

In conjunction with the publication of this interim report, an earnings call will take place on February 12, 2015 at 10.30 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 February 12, 2015.

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, February 12, 2015

Rederi AB Transatlantic

The Board of Directors of Rederi AB Transatlantic

This year end report is unaudited.

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

Financial calendar 2015

April 9	Annual General Meeting
May 7	Interim report January-March
August 7	Interim report January-June
November 12	Interim report January-September

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

Consolidated income statement

All amounts in SEK M	October - December		January - December	
	2014	2013	2014	2013
Net sales	794	661	3 190	2 925
Other operating revenue	1	2	1	107
Direct voyage cost	-131	-155	-651	-1 059
Personnel costs	-190	-170	-743	-710
Other costs	-230	-266	-1 118	-991
Depreciation/impairment	-32	-234	-195	-465
Operating result	212	-162	484	-193
Net financial items	-99	-23	-267	-128
Result before tax	113	-185	217	-321
Tax	-5	-18	-17	-38
Result for the period	108	-203	200	-359
<i>Attributable to:</i>				
Parent Company's shareholders	108	-203	200	-353
Non-controlling interests	0	0	0	-6
RESULT FOR THE PERIOD	108	-203	200	-359
Earnings attributable to Parent Company's shareholders, per share in SEK (before and after dilution)	0.6	-1.7	1.2	-3.1

Consolidated statement of comprehensive income

All amounts in SEK M	October - December		January - December	
	2014	2013	2014	2013
Result for the period	108	-203	200	-359
<i>Other comprehensive income for the period:</i>				
Items that will not be restored to the income statement				
Revaluation of net pension obligations	-2	0	-2	0
Items that later can be restored to the income statement				
Change in hedging reserve, net	0	0	0	0
Change in translation reserve, net	-146	11	-50	-140
Other comprehensive income	-148	11	-52	-140
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD	-40	-192	148	-499
<i>Total comprehensive income attributable to:</i>				
Parent Company's shareholders	-40	-192	148	-493
Non-controlling interests	0	0	0	-6
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD	-40	-192	148	-499

Net sales by business area

All amounts in SEK M	October - December		January - December	
	2014	2013	2014	2013
Viking Supply Ships	515	279	1 897	1 138
TransAtlantic	279	382	1293	1787
TOTAL NET SALES	794	661	3 190	2 925

Result before tax by business area

All amounts in SEK M	October - December		January - December	
	2014	2013	2014	2013
Viking Supply Ships	131	9	345	50
TransAtlantic	-9	-33	-49	-187
OPERATIONAL RESULT BEFORE TAX	122	-24	296	-137
Restructuring items	-9	-161	-79	-184
RESULT BEFORE TAX	113	-185	217	-321
<i>Attributable to:</i>				
Parent Company's shareholders	113	-185	217	-315
Non-controlling interests	0	0	0	-6

Assets allocated by business area

All amounts in SEK M	31.12.2014	31.12.2013
Viking Supply Ships	4 749	4 326
TransAtlantic	511	558
TOTAL ASSETS	5 260	4 884

Consolidated balance sheet

All amounts in SEK M	31.12.2014	31.12.2013
Vessels	3 982	3 925
Other tangible fixed assets	5	12
Intangible fixed assets	7	7
Financial assets	163	141
Total fixed assets	4 157	4 085
Current assets	1 103	799
TOTAL ASSETS	5 260	4 884
Shareholders' equity	2 042	1 749
Long-term liabilities	2 362	2 411
Current liabilities	856	724
TOTAL SHAREHOLDERS' EQUITY, PROVISIONS AND LIABILITIES	5 260	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 24 M (14), and "Current liabilities" by SEK 0 M (8). 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 intrerest rate instruments are based on input according to level 2.

Consolidated cash-flow statement

MSEK	October - December		January - December	
	2014	2013	2014	2013
Cash flow from operations before changes in working capital	276	30	527	56
Changes in working capital	33	70	-97	6
Cash flow from current operations	309	100	430	62
Cash flow from investing activities	-87	-7	-132	-4
Cash flow from financing activities	-223	-97	-251	-30
Changes in cash and cash equivalents	-1	-4	47	28
Cash and cash equivalents at beginning of period	447	385	381	361
Exchange-rate difference in cash and cash equivalents	4	0	22	-8
CASH AND CASH EQUIVALENTS AT END OF PERIOD	450	381	450	381

Changes in the Group's shareholders' equity

All amounts in SEK M	October - December		January - December	
	2014	2013	2014	2013
Equity at beginning of period	2 082	1 797	1 749	2 104
New share issue less cost for issuance	-	144	145	144
Total comprehensive income for the period	-40	-192	148	-499
SHAREHOLDERS' EQUITY AT END OF PERIOD	2 042	1 749	2 042	1 749

Share capital in SEK M	October - December		January - December	
	2014	2013	2014	2013
Share capital at beginning of period	177	111	148	111
New share issue	-	37	29	37
Share capital at end of period	177	148	177	148

Number of shares ('000)	October - December		January - December	
	2014	2013	2014	2013
Number of outstanding shares at beginning of period	177 444	110 903	147 870	110 903
New issued shares	-	36 967	29 574	36 967
Total number of shares at end of period	177 444	147 870	177 444	147 870
Average number of shares outstanding ('000)	177 444	118 135	164 804	112 726

Data per share

All amounts in SEK	October - December		January - December	
	2014	2013	2014	2013
Earnings before capital expenses (EBITDA)	1.5	0.6	4.2	2.4
Operating result (EBIT)	1.2	-1.4	2.9	-1.7
Result after current tax	0.6	-1.6	1.2	-2.9
Result after full tax	0.6	-1.7	1.2	-3.2
Shareholders' equity end of period incl. non-contr. interests	11.5	11.8	11.5	11.8
Operating cash flow	0.7	0.4	2.5	1.3
Total cash flow	0.0	0.0	0.3	0.3

Key data

		October - December		January - December	
		2014	2013	2014	2013
Earnings before capital expenses (EBITDA)	SEK M	260	71	695	270
Operating result (EBIT)	SEK M	212	-162	484	-193
Shareholders' equity	SEK M	2 042	1 749	2 042	1 749
Net indebtedness	SEK M	2 245	2 256	2 245	2 268
Operating cash flow	SEK M	129	49	412	144
Total cash flow	SEK M	0	-4	47	28
Return on capital employed	%	17.7	-14.4	10.6	-4.1
Return on shareholders' equity	%	20.9	-45.8	10.5	-18.6
Equity/assets ratio	%	38.8	35.8	38.8	35.8
Debt/equity ratio	%	109.9	130.0	109.9	130.0
Profit margin	%	14.3	-28.0	6.8	-11.0

Parent Company income statement

All amounts in SEK M	October - December		January - December	
	2014	2013	2014	2013
Net sales	88	260	325	1 132
Other operating revenue	0	2	0	107
Direct voyage costs	-2	-110	-2	-496
Personnel costs	-1	-43	-66	-160
Other costs	-85	-79	-261	-613
Depreciation/impairment	0	-20	0	-24
Operating result	0	10	-4	-54
Net financial items	-24	-209	-110	-285
Result before tax	-24	-199	-114	-339
Tax on result for the year	-	-3	-	-23
RESULT FOR THE PERIOD	-24	-202	-114	-362
<i>Other comprehensive income for the period:</i>				
Items that will not be restored to the income statement				
Revaluation of net pension obligations	-2	0	-2	0
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD	-26	-202	-116	-362

Parent Company balance sheet

All amounts in SEK M	31.12.2014	31.12.2013
Tangible fixed assets	-	2
Financial fixed assets	2 612	2 539
Total fixed assets	2 612	2 541
Current asstes	111	185
TOTAL ASSETS	2 723	2 726
Shareholders' equity	2 417	2 388
Provisions	8	6
Longterm liabilities	220	175
Current liabilities	78	157
TOTAL SHAREHOLDERS' EQUITY, PROVISIONS AND LIABILITIES	2 723	2 726

Changes in Parent Company's shareholders' equity

All amounts in SEK M	October - December		January - December	
	2014	2013	2014	2013
Shareholders' equity at beginning of period	2 443	2 447	2 388	2 607
New share issue less cost for issuance	-	144	145	144
Total comprehensive income for the period	-26	-202	-116	-362
SHAREHOLDERS' EQUITY AT END OF PERIOD	2 417	2 388	2 417	2 388

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.

Operational profit/loss (before tax)

Profit/loss before tax and before restructuring costs.

Operating profit/loss

Profit/loss before financial items and tax.

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.

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 800 employees and generated sales of SEK 3 190 M in 2014. The company's Series B shares are listed on the NASDAQ OMX Stockholm, Small Cap segment.

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