



TRANSATLANTIC

Annual Report 2012



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More information about TransAtlantic's two business areas is available in the respective company's presentation. The information can be ordered or downloaded from the rabt.se and vikingsupply.com websites.



Industrial Shipping



Viking Supply Ships

Gothenburg

Copenhagen

● Head office

● Office

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.

2012 in brief

The Group's net sales rose 9.5% to SEK 3,274 M (2,989) and adjusted for divestments and acquisitions, sales declined 8.6%. The net results after tax amounted to a loss of SEK 393 M (loss: 435), of which restructuring items and acquisition effects amounted to a negative SEK 29 M (neg: 194). The Board proposed that no dividend be paid for the financial year.

Quarter 1

Viking Supply Ships A/S issued NOK 300 M in new unsecured bonds in the Norwegian bond market to fall due in March 2017.

The AHTS vessel Brage Viking was delivered. TransAtlantic's former head office in Skärhamn was sold and the new terminal in Hull opened.

Quarter 2

Due to the weak market situation, the planned demerger of the Group was postponed.

Industrial Shipping launched a budget-strengthening plan entailing the centralization of the operation in Gothenburg, streamlining the vessel operation, as well as the implementation of a more dedicated sales organization. The charter agreement commenced between Viking Supply Ships and Sakhalin Energy Investment and received a contract from Chevron Canada Ltd.

Quarter 3

Better contract coverage and periodically favorable spot market in the offshore market in the North Sea generated a positive cash flow for Viking Supply Ships.

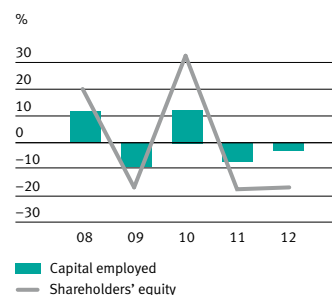
Industrial Shipping laid off 25 shipping employees. Talisman Energy (UK) Limited extended its current one-year contract with Viking Supply Ships and Centrica Energy extended its contract, which runs for one year with an option for an additional year.

Quarter 4

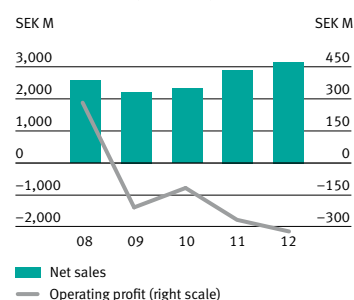
The Finnish shipping company Merilinja was acquired.

Heléne Mellquist replaced Kim H. Sörensen as Head of Industrial Shipping. Industrial Shipping increased its scheduled services with weekly vessel departures between Szczecin, Poland and Hull in the UK. Viking Supply Ships A/S signed a sale-and-leaseback agreement with Norseman Offshore AS for the Odin Viking vessel.

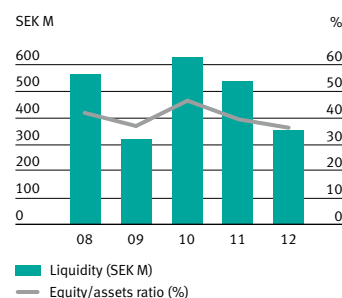
Return on capital employed and shareholders' equity



Net sales and operating profit



Liquidity and equity/assets ratio



TransAtlantic in brief

Rederi AB TransAtlantic's operation is divided into two independent business areas. These operate in completely different shipping segments and have built up separate organizations with individual head offices.

The Industrial Shipping business area offers intelligent logistics solutions and efficient vessel transports based on customers' transport requirements. Quality, environment and cost-efficiency are catchwords throughout the chain. The head office is located in Gothenburg and the business area also has several offices in Sweden, as well as another six in European countries.

The business area is organized in three divisions: Bulk, Container and RoRo – based on the type of consignment to be transported. Cargo is transported primarily on vessels for customers in the large forest, mining, energy and steel industries in northern Europe. This is combined with a logistical infrastructure in Europe, own terminals at strategic locations, as well as networks for supplementary land transports.

During 2012, Industrial Shipping reported sales of SEK 2,212 M (2,259) and the operating loss amounted to SEK 208 M (loss: 162).

The Viking Supply Ships business area offers offshore and icebreaking services to oil-prospecting customers in primarily the North Sea and Arctic waters. The business area is an established player in arctic offshore, with high expertise in performing operations in icy and severe weather conditions.

Customer adaptation and creativity, combined with a leading position in safety and the environment, are some of the key success factors. The fleet comprises 14 vessels, of which three are combined icebreakers/AHTS vessels, four are new ice-reinforced AHTS vessels and one is a conventional AHTS vessel, as well as five modern and one older PSV vessels – with dedicated crews that have extensive experience of icebreaking and offshore work in severe weather conditions.

The head office is located in Copenhagen and there are local offices in Kristiansand, Aberdeen, Gothenburg and Moscow. Assignments have been implemented in the Arctic waters for such customers as Shell, Statoil, Husky and Cairn Energy. During 2012, Viking Supply Ships reported sales of SEK 1,062 M (730) and the operating loss amounted to SEK 119 M (loss: 110).

► About TransAtlantic

Rederi AB TransAtlantic is a leading Swedish shipping company. The operations are divided into the Industrial Shipping business area, with a focus on industrial shipping and logistics solutions with the Baltic Sea as the geographic base, and Viking Supply Ships, with a focus on offshore work and icebreaking assignments in the North Sea and Arctic waters.

- The fleet comprises 51 vessels, of which 37 belong to Industrial Shipping and 14 to Viking Supply Ships.
- The company has approximately 800 employees. The head office is located in Gothenburg.
- Sales for 2012 amounted to SEK 3,274 M.
- The number of shareholders at year-end was 5,346.
- The company is listed on NASDAQ OMX Stockholm, Small Cap list.
- The company is majority-owned by the Norwegian investment company Kistefos AS, which is owned by Christen Sveaas. Kistefos AS has 62.9% of the share capital and 58.4% of the votes.



► Industrial Shipping

The business area offers integrated logistics solutions using vessel transports with the Baltic Sea and northern Europe as its primary markets. The operation is driven primarily through system traffic using RoRo and container vessels, and contracted bulk traffic. The head office is located in Gothenburg.



► Viking Supply Ships

The business area operates in the market for arctic offshore, in the offshore spot market in the North Sea, and in the global offshore sector. The fleet comprises 14 offshore vessels equipped for cold and severe weather and has the capacity to operate in such conditions. The head office is located in Copenhagen.

Comments by the CEO

Continued improvement work

The underlying results for the Group improved somewhat during 2012, compared with the preceding year, but are still far from satisfactory. Accordingly, our effort to enhance efficiency and adapt the operations to the market situation has intensified.

The underlying results for the Group improved somewhat during 2012, compared with the preceding year, but are still far from satisfactory. Accordingly, our effort to enhance efficiency and adapt the operations to the market situation has intensified.

Although we will be putting another year of unacceptable loss behind us, I can state that we have significantly increased the pace of our change effort. This applies primarily to the Industrial Shipping business area, where we faced a continued weak and highly competitive market by becoming even more efficient. Despite the tough market conditions, the same long-term objectives apply as in the past – to create two independently strong operations with excellent prerequisites to successfully compete in their respective markets. This means continued hard work in 2013, where we will balance various growth efforts by further enhancing efficiency and reducing costs.

Viking Supply Ships stands well prepared

During the year, the business area faced continued surplus tonnage, which resulted in weak earnings for the vessels operating in the spot market in the North Sea. Although the weak market conditions are deemed to continue in early 2013, the long-term prospects for offshore remain positive. The continued search for new oil and gas deposits to satisfy a rapid, expanding global need for energy, will lead to increasingly high activity in the North Sea and the Arctic waters in the coming years.

With 14 efficient vessels, unique systems and employees with the market's longest experience in performing operations in icy and severe weather conditions, Viking Supply Ships is well prepared to meet higher demand. During the year, we implemented certain budget-strengthening measures and as part of our effort to additionally increase our competitiveness, we will be centralizing the operational and support functions to the head office in Copenhagen in 2013.

New growth strategy for Industrial Shipping

With respect to the Industrial Shipping business area, we decided in 2012 to implement a major savings program – with the adaptation of the fleet, new crew policy, renegotiation of vessel leasing, as well as the centralization of shared functions to the head office in Gothenburg. We succeeded in implementing a large portion of this during the year, but the effort will continue in parallel with the growth strategy launched in the autumn. We have strengthened our sales organization and broadened our

“We will balance various growth efforts by further enhancing efficiency and reducing costs.”

customer offering and catchment area; we have acquired a successful operation in the Finnish shipping company Merilinja, and opened a new shipping route between Szczecin in Poland and Hull in the UK. The underlying results slowly improved during the year, with the exception of the seasonally weak fourth quarter. It is currently difficult to assess when the market situation will improve, but our objective is to make Industrial Shipping less dependent on the prevailing market conditions.

We noted that our intense change effort has made Industrial Shipping significantly more dynamic and competitive, which will generate results in the long-term.

For Viking Supply Ships, we remain optimistic with respect to the business area's potential to capitalize on a long-term stronger offshore market with an even more competitive cost structure.

Henning E. Jensen
CEO, TransAtlantic



List of vessels

Industrial Shipping

Vessel	Type	Dwt	Year of construction/ year of remodeling	Holding/leasing form	Flag
Andante	Bulk	6,397	2005	Timecharter	Gibraltar
Brillante	Bulk	5,557	1997	Bareboat-charter	Gibraltar
Ernst Hagedorn	Bulk	4,401	1989	Timecharter	Antigua/Barbuda
Forte	Bulk	6,397	2005	Owned – 100%	Gibraltar
Forza	Bulk	4,135	2000	Bareboat-charter	The Netherlands
Lontano	Bulk	4,135	2000	Bareboat-charter	Gibraltar
Nemuna	Bulk	4,135	1989	Timecharter	Antigua/Barbuda
Risoluto	Bulk	4,145	1997	Bareboat-charter	Gibraltar
Sereno	Bulk	4,455	1991	Timecharter	The Netherlands
Soave	Bulk	4,455	1991	Timecharter	The Netherlands
Sonoro	Bulk	4,135	2000	Bareboat-charter	Gibraltar
TransAndromeda	Bulk	6,700	1999	Owned – 100%	The Netherlands
TransCapricorn	Bulk	6,700	2000	Owned – 100%	The Netherlands
TransFalcon	Bulk	5,700	1993	Owned – 100%	Sweden
Visurgis	Bulk	4,145	1997	Timecharter	Antigua/Barbuda
Volante	Bulk	4,135	2000	Bareboat-charter	Gibraltar
BF Victoria	Container	5,200	1998	Timecharter	Antigua/Barbuda
Clonlee	Container	5,207	1996	Timecharter	Isle of Man
Conger	Container	5,207	1995	Timecharter	Antigua/Barbuda
Johanna	Container	7,100	1999	Timecharter	UK
Orion	Container	4,800	1998	Timecharter	The Netherlands
TransAlrek	Container	4,500	1995/2006	Timecharter	Antigua/Barbuda
TransAnund	Container	9,800	2007	Timecharter	Cyprus
TransFrej	Container	4,500	1994	Owned – 70%	Antigua/Barbuda
TransJorund	Container	9,800	2007	Timecharter	Cyprus
TransOdin	Container	4,500	1994	Owned – 65%	Antigua/Barbuda
TransEagle	LoLo	16,600	2002	Owned – 100%	The Netherlands
TransHawk	LoLo	16,600	2005	Bareboat-charter	Gibraltar
TransOsprey	LoLo	20,400	2003/2008	Timecharter	Gibraltar
Distinto	RoRo	4,135	2000	Bareboat-charter	Gibraltar
TransPaper	RoRo	16,000	2006	Bareboat-charter	Sweden
TransPulp	RoRo	16,000	2006	Bareboat-charter	Sweden
TransReel	RoRo	11,400	1987	Owned – 100%	Sweden
TransTimber	RoRo	15,960	2007	Bareboat-charter	Sweden
TransFighter	RoRo/Sideload	18,855	2001	Owned – 100%	Gibraltar
TransPine	RoRo/Sideload	18,855	2002	Bareboat-charter	Sweden
TransWood	RoRo/Sideload	18,855	2002	Bareboat-charter	Sweden

Viking Supply Ships

Vessel	Type	Dwt	Year of construction/ year of remodeling	Holding/leasing form	Flag
Balder Viking	AHTS/Icebreaker	3,000	2000	Owned – 100%	Sweden
Tor Viking II	AHTS/Icebreaker	3,000	2000	Owned – 100%	Sweden
Vidar Viking	AHTS/Icebreaker	3,000	2001	Owned – 100%	Russia
Brage Viking	AHTS	4,500	2012	Financial lease – Bareboat Charter	Denmark
Loke Viking	AHTS	4,500	2010	Owned – 100%	Denmark
Magne Viking	AHTS	4,500	2011	Financial lease – Bareboat Charter	Denmark
Njord Viking	AHTS	4,500	2011	Owned – 100%	Denmark
Odin Viking	AHTS	2,869	2003	Bareboat-charter	Denmark
Freyja Viking	PSV	3,662	2007	Bareboat-charter	UK
Frigg Viking	PSV	3,664	2003	Owned – 100%	UK
Idun Viking	PSV	3,664	2003	Owned – 100%	UK
SBS Cirrus	PSV	3,250	1985	Owned – 100%	UK
SBS Tempest	PSV	3,677	2006	Owned – 100%	UK
SBS Typhoon	PSV	3,662	2006	Bareboat-charter	UK



TransPulp



Vidar Viking

Five-year overview

Refer to page 57 for definitions

SEK M	TransAtlantic				
	2012	2011	2010	2009	2008
Consolidated revenue and earnings					
Net revenue					
Viking Supply Ships business area	1,062	730	298	125	402
Industrial Shipping business area	2,212	2,259	1,865	1,900	2,006
Ship Management/Group-wide ¹⁾	—	—	231	259	240
Consolidated net revenue	3,274	2,989	2,394	2,284	2,648
Operating profit/loss (before tax)					
Viking Supply Ships business area	-119	-110	45	-25	233
Industrial Shipping business area	-208	-162	-105	-140	81
Ship Management/Group-wide ¹⁾	—	—	-61	-48	-31
Consolidated operating profit/loss	-327	-272	-121	-213	283
Restructuring costs and other items affecting comparability	-35	-187	-247	-63	-24
Acquisition effects	6	-7	775	—	—
Consolidated profit/loss before tax	-356	-466	407	-276	259
Tax	-37	31	178	55	7
Consolidated net profit/loss	-393	-435	585	-221	266
Consolidated cash flow					
Cash flow from current operations before changes in working capital	-120	-37	58	-50	455
Changes in working capital	28	151	33	2	38
Cash flow from investing operations	27	-477	164	-142	-58
– of which, investments	-360	-824	152	-142	-86
– of which, divestments	386	347	12	0	28
Cash flow from financing operations	-115	273	86	-89	-240
Total cash flow	-180	-90	341	-279	195
Exchange-rate difference in cash and cash equivalents	-7	1	-31	32	-14
Cash and cash equivalents at the end of the year	361	548	637	327	574
Less blocked/pledged cash and cash equivalents	—	—	-14	-7	-7
Overdraft facilities granted but not utilized	0	93	24	124	400
Unappropriated closing cash and cash equivalents	361	641	647	444	967

1) In connection with the completion of the operative distribution of the Group during the year, the previously recognized segment Ship Management/Group-wide has been divided and as of this report will be included as part of the continuing Viking Supply Ships and Industrial Shipping segment. In connection with this change, the comparative figure for 2011 has been recalculated. For further information, refer also to Note 3, Segment reporting on page 32.

Refer to page 57 for definitions

SEK M	TransAtlantic				
	2012	2011	2010	2009	2008
Consolidated balance sheet, Dec. 31					
Vessels	4,608	4,839	3,815	2,195	2,171
Financial fixed assets	206	188	71	105	66
Other fixed assets	84	88	91	100	79
Current assets excluding cash and cash equivalents	486	620	497	445	458
Cash and cash equivalents	361	548	637	327	574
Total assets	5,745	6,283	5,111	3,172	3,348
Shareholders' equity ¹⁾	2,103	2,493	2,396	1,175	1,421
Interest-bearing liabilities	2,983	2,983	2,135	1,381	1,188
Non-interest-bearing liabilities	659	807	580	616	739
Total shareholders' equity and liabilities	5,745	6,283	5,111	3,172	3,348
Changes in consolidated shareholders' equity¹⁾					
Shareholders' equity, Jan. 1	2,493	2,396	1,175	1,421	1,217
New share issue net after transaction expenses	—	542	658	—	—
Dividend	—	—	—	-70	-70
Profit for the year	-393	-435	585	-221	266
Exchange-rate differences/other	3	-10	-22	51	8
Buy-back of own shares	—	—	—	-6	—
Shareholders' equity, Dec. 31	2,103	2,493	2,396	1,175	1,421
Data per share (SEK)²⁾					
Earnings before capital costs (EBITDA)	1.1	1.0	21.6	-0.3	15.5
Earnings before interest expenses (EBIT)	-1.3	-5.2	11.1	-7.2	9.7
Operating profit (before tax)	-2.9	-4.1	-2.9	-6.6	8.7
Earnings after current tax	-3.2	-7.3	9.9	-8.5	7.9
Earnings after full tax	-3.5	-6.6	14.3	-6.9	8.2
Cash flow from current operations	-1.1	1.7	2.2	-1.5	15.3
Total cash flow	-1.6	-1.4	8.3	-8.6	6.0
Shareholders' equity, Dec. 31	19.0	22.5	43.2	42.4	50.9
P/E ratio	n.a	n.a	1.8	n.a	3.5
Dividend paid	—	—	—	2.50	2.50
Number of shares, Dec. 31 (000s)³⁾	110,903	110,903	55,451	27,726	27,926
Average number of shares	110,903	66,246	41,057	32,258	32,394
Key figures					
Earnings before capital costs (EBITDA), SEK M	120	67	884	-8	502
Earnings before interest expenses (EBIT), SEK M	-143	-348	455	-233	316
Shareholders' equity, SEK M	2,103	2,493	2,396	1,175	1,421
Capital employed, SEK M	5,086	5,476	4,566	2,556	2,609
Net indebtedness, Dec. 31, SEK M	2,623	2,407	1,533	1,054	615
Operating cash flow, SEK M	-94	-51	841	-41	444
Total cash flow, SEK M	-180	-90	341	-279	195
Return on shareholders' equity, %	-17.1	-17.8	32.8	-17.1	20.2
Return on capital employed, %	-2.7	-6.9	12.8	-9.0	12.5
Equity/assets ratio, %	37	40	47	37	42
Net indebtedness, Dec. 31, %	125	98	64	90	43
Profit margin, %	-10.9	-15.6	17.0	-12.1	9.8
Interest-coverage ratio, multiple	0.6	0.5	16.0	0.0	9.2
Number of employees, year-end	787	833	911	1,050	1,058

1) There are no warrants or other equity instruments in TransAtlantic.

2) In the new share issue with preferential rights for the old shareholders, in which the subscription price is lower than the fair value of the share, a so-called bonus issue element arises, which impacts the calculation of earnings per share for 2011 and periods prior to the new share issue. The bonus issue element of the new share issue represents the value that the company's shareholders waive by way of the reduced price of the share.

3) Calculated on the number of shares outstanding, excluding bought-back shares held in treasury.

Corporate Governance Report

Rederi AB TransAtlantic is a Swedish public limited company listed on NASDAQ OMX Stockholm, Small Cap list. TransAtlantic is governed through the Annual General Meeting, the Board of Directors and the President in accordance with the Swedish Companies Act and the Swedish Code for Corporate Governance. The company is majority-owned by Kistefos AS, with 62.9% share of the equity.

Corporate Governance in TransAtlantic

This Corporate Governance Report has been prepared in accordance with the provisions in the Swedish Code of Corporate Governance ("The Code") and Chapter 6, sections 6-9 of the Swedish Annual Accounts Act and Chapter 9, section 31 of the Swedish Companies Act, and pertains to the 2012 financial year. The auditor has expressed an opinion as to whether the preparation of the Corporate Governance Report and disclosures in accordance with Chapter 6, section 6, second paragraph 2-6 of the Annual Accounts Act (for example, the most important features of the company's system for internal control and risk management in conjunction with financial reporting) correspond with the other sections of the Annual Report.

TransAtlantic's Articles of Association and other additional information on corporate governance at TransAtlantic are available at www.rabt.se.

The company's governance, management and control are based on external laws and regulations, as well as internal regulations, policies and instructions. TransAtlantic's Board of Directors and management strive for TransAtlantic to comply with the demands placed on the company by the stock market, shareholders and other stakeholders. By being transparent and accessible, TransAtlantic strives to provide share-

holders' and other stakeholders with insight into decision channels, delegation of responsibility, authorities and control systems. In addition to this, the Articles of Association is a central control document. The Articles of Association stipulates where the Board has its registered head office, operational focus, authorized signatory, as well as information on the number of shares and share capital. The highest governing body in TransAtlantic is the General Meeting of Shareholders, where the company's shareholders exercise their influence. The Board of Directors manages, on behalf of the shareholders, the company's interests and transactions. TransAtlantic's Board of Directors is led by the Chairman of the Board, Christen Sveaas. The Board appoints the President.

Distribution of responsibility between the Board of Directors and the President is regulated in the Board's rules of procedure and the instructions for the President, both of which are established annually. Administration by the Board of Directors and the President, as well as the company's financial reporting is reviewed by an external auditor, appointed by the Annual General Meeting.

Application of the Code

The Board of Directors and management believe that the company follows and applies all regulations included in the Code,

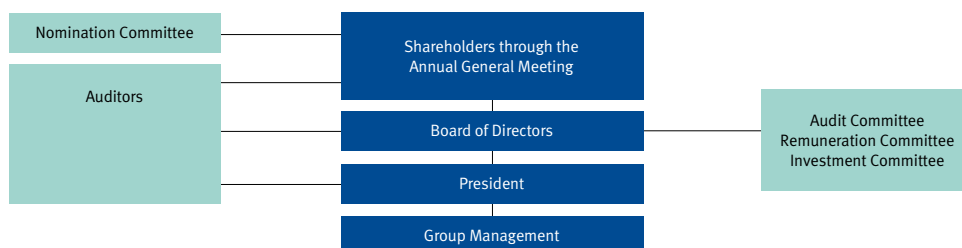
with the exception of the composition of the Nomination Committee. The Code states that the majority of the Nomination Committee members must be independent in relation to the company and company management. TransAtlantic's Nomination Committee includes Christen Sveaas (Chairman) and Henning E. Jensen, both of whom are dependent in relation to Kistefos AS, which is the company's largest owner, as well as Lena Patriksson Keller, who is dependent in relation to a Board member and a member of company management. However, the Board of Directors believes that this is reasonable based on the company's shareholder structure.

Shareholders

TransAtlantic's Series B shares have been listed on NASDAQ OMX Stockholm since 1991, the Small Cap segment. The share capital amounts to SEK 110,902,700, distributed among 110,902,700 shares with a quotient value of SEK 1. There are a total of 7,271,842 Series A shares and 103,630,858 Series B shares. Series A shares carry ten votes each and Series B shares carry one vote each. The number of shareholders at December 31 amounted to 5,346 (5,854). Both types of shares carry dividend entitlement.

Further information on the share and shareholders, refer to page 54.

Corporate governance structure at TransAtlantic



General Meeting of Shareholders

TransAtlantic's highest decision-making body is the General Meeting of Shareholders, which must be held within six months of the end of the financial year. Notification of the Annual General Meeting shall occur not earlier than six weeks and not later than four weeks prior to the Meeting. All shareholders included in the shareholders' register and who have registered for participation in time are entitled to participate and vote at the Meeting. Those shareholders who cannot attend in person may be represented by proxy.

The Annual General Meeting was held on April 27, 2012 at the Elite Hotel, Kungssportsavenyn in Gothenburg. The Meeting was attended by 62 shareholders, representing 83.3% of the votes.

At the Meeting, the entire Board of Directors, Group Management and the company's auditors were present. The President informed the shareholders about the development of the company during the past year and resolutions made at the Meeting included:

- no dividend will be paid for the 2011 financial year
- fees for the Board of Directors will total SEK 1,200,000, distributed as SEK 400,000 to the Chairman and SEK 200,000 to each Board member elected by the Meeting

- guidelines for remuneration of senior executives
- procedures for the appointment and work of the Nomination Committee.

At the Annual General Meeting, Christen Sveaas, Folke Patriksson, Henning Jensen, Håkan Larsson and Magnus Sonnorp were reelected. In addition to these Board members elected by the AGM, Christer Lindgren will remain as the trade-union representative. Christen Sveaas remained as Chairman and Folke Patriksson as the Deputy Chairman.

During the Meeting, shareholders were provided the opportunity to submit questions to the President and Board of Directors. Resolutions at the Meeting are usually made with a simple majority, but certain motions require a higher proportion of the votes represented at the General Meeting of Shareholders. It was not possible to follow or participate in the Meeting from another location using communication technology and no change has been planned in this regard for the 2013 Meeting.

Nomination Committee

The Annual General Meeting resolved to establish a Nomination Committee, which shall consist of three members representing the three largest shareholders, in terms of voting rights, on September 30 each year. At

the Annual General Meeting in April 2012, the Nomination Committee's Chairman, Christen Sveaas, reported on the work of the Nomination Committee. In its work, the Nomination Committee took into account the demands that can be placed on the Board of Directors resulting from the company operations and development phase, as well as competency, experience and background of the Board members. Independence issues were also highlighted, as well as issues pertaining to gender distribution.

Pursuant to the resolution of the Annual General Meeting in April 2012, the Chairman was given the task to appoint a Nomination Committee, based on the company's three largest shareholders at the end of September 2012, according to EuroClear Sweden AB. The Nomination Committee shall prepare proposals for Board members, the Chairman of the Board, as well as remuneration of Board members and proposals for regulations for the Nomination Committee for the 2013 Annual General Meeting. The composition of the Nomination Committee was announced on TransAtlantic's website and through the press release on October 16, 2012. The Nomination Committee comprises Christen Sveaas, Chairman of the Board (representing Kistefos AS/Viking Invest AS), Henning E. Jensen representing Kistefos AS/Viking Invest AS, Lena Patriksson Keller representing Enneff Rederi AB/

Corporate governance structure at TransAtlantic

Composition of the Board of Directors, and the number of meetings during the mandate period	Elected	Board meetings	Independent of major shareholders
Christen Sveaas, Chairman	2010	9/9	No
Folke Patriksson, Deputy Chairman	1972	7/9	No
Henning E. Jensen	2011	9/9	No
Håkan Larsson	1993	9/9	Yes
Magnus Sonnorp	2010	8/9	Yes
Christer Lindgren, Employee representative	2001	7/9	Yes

Enneff Fastigheter AB, as well as Jenny Lindén Urnes representing Lindéngruppen AB. The members of the Nomination Committee represent 81.8% of the voting rights (at December 31, 2012) of all shares in the company.

The composition of the Nomination Committee does not comply with the requirements of the Code relating to independent members, but the Board of Directors believes that the composition of the Nomination Committee is reasonable based on the company's ownership structure.

The Nomination Committee's proposals, its motivating statement about the proposed Board, as well as supplementary information on the proposed Board members, is announced in conjunction with the Notice convening the Annual General Meeting and is presented jointly with a report on the Nomination Committee's work at the 2013 Annual General Meeting.

Board of Directors

The Board of Directors shall consist of not less than five and not more than ten members, and not more than five deputies according to the Articles of Association. The Board members are elected annually at the Annual General Meeting, with a mandate period from the Annual General Meeting until the next Annual General Meeting. The Annual General Meeting decides the exact number of Board members.

At the Annual General Meeting on April 27, 2012, Christen Sveaas, Folke Patriksson, Henning Jensen, Håkan Larsson, as well as Magnus Sonnorp were elected to the Board. Christen Sveaas was elected Chairman of the Board. Folke Patriksson remains Deputy Chairman. In addition to the Board members elected by the Meeting, Christer Lindgren will remain as the trade-union representative. The number of Board members elected by the Meeting who are considered independent in relation to the company, according to requirements of the Code, is estimated to be four and independent in relation to major shareholders is two.

No other remuneration was made apart from that resolved on by the Annual General Meeting. Fees to the Board of Directors are approved by the Annual General Meeting following a proposal from the Nomination Committee. For more information on fees, see Note 7 on page 34.

Board of Directors' work

The Board of Directors is elected by the shareholders at the Annual General Meeting. The Board of Directors' responsibilities and tasks are determined by a formal work plan, in addition to laws and regulations. The work plan is reviewed by the Board on an annual basis, and established through a resolution by the Board. The Board's tasks include determining the company's goals, strategies, business plans, budgets, as well as approving major investments and loans raised by TransAtlantic. Furthermore, it is the Board's task to evaluate the operating management, as well as ensure systems to monitor and control the established goals. It is also the Board's task to appoint the President, and where applicable, the Executive Vice President. The Finance Policy, Attestation Policy and the Communication Policy, which are established annually, represent important control instruments. The Board also ensures the quality of the financial reporting through detailed reviewing of interim reports, annual reports and year-end reports at Board meetings. The Board addresses different issues in their entirety and, considering the Group's size and complexity, has not regarded sub-committees necessary to prepare certain issues. This means that the Board as a whole constitutes the Audit Committee and Remuneration Committee. For 2012, the Board resolved to appoint a special committee to manage the Group's liquidity.

The Board usually meets on seven occasions per year and additional meetings are held as necessary. Scheduled meetings are held in connection with quarterly reports and additional meetings are held to deal with strategic issues and decide on budgets for future financial years. Based on this, the Board held nine scheduled meetings in 2012/2013, of which seven ordinary meetings, one extraordinary meeting, as well as one statutory meeting. The CFO of Rederi AB TransAtlantic is the Secretary at the Board meetings. The Board of Directors also receives monthly reports pertaining to the company's financial position. At scheduled Board meetings, reports are also submitted pertaining to the current work in each business area with detailed analyses and proposals for measures.

Chairman's responsibility

The Chairman of the Board is elected by the Annual General Meeting. The Chairman of the Board is responsible for organizing and leading the Board's work in accordance with applicable rules for listed companies, the Code and the Articles of Association. Furthermore, the Chairman shall support the President. The Chairman and the President prepare proposals for the agenda for Board meetings. The Chairman conducts a dialog with the President and is responsible for ensuring that other Board members receive the information and documentation needed to make decisions. The Chairman of the Board is also responsible for ensuring the annual review of the Board's work.

The Chairman of the Board is Christen Sveaas and the Deputy Chairman is Folke Patriksson.

Christen Sveaas owns Kistefos AS, which is the majority owner of TransAtlantic with 62.9% of the share capital, as well as 58.4% of the voting rights. In addition to his Chairmanship of TransAtlantic, Christen Sveaas is the Chairman of the Board of Kistefos Holding AS and a number of other companies.

President

The President, Henning E. Jensen, who was appointed on December 31, 2011, is responsible for the continuous management of the operations based on the terms of references issued by the Board of Directors. The President's responsibilities include decisions regarding current investments and divestments, HR, financial and accounting issues, continuous contact with the company's stakeholders, as well as ensuring that the Board receives the information required to make well-substantiated decisions. The President reports to the Board of Directors. Henning E. Jensen is a member of the Board of Directors. The President attends all Board meetings, except at Board meetings where the President is being evaluated.

The President leads the Group management work and makes decisions in consultation with other management members.

Henning E. Jensen is not employed by TransAtlantic but works as a consultant through Kistefos AS. For more information, refer to Note 7 on page 34.

Group Management

The President appointed a management team that comprised five individuals during most of 2012. In addition to the President, Group Management included Heléne Mellquist (CFO until October and thereafter as Head of Industrial Shipping, as well as CFO until the position was filled in January 2013 temporarily by Erik Hansen), Britta Stolt HR Manager, Christian W. Berg, Head of Viking Supply Ships and Kim Sørensen, Head of Industrial Shipping (from March to November). Group Management is responsible for planning, controlling and following up daily operations. Group Management held regular meetings to monitor the business operations, follow-up on financial development and other operational, development and strategy issues. Group Management ensures that the right competency exists in the organization in relation to the company's strategies. Authorities and responsibilities for the President and Group Management are defined in the policies, job descriptions and attestation instructions.

For more detailed information about the President and Group Management, refer to page 15.

Auditors

The auditors are elected by the Annual General Meeting and at the Meeting in April 2012, the auditing firm of PriceWaterhouseCoopers AB was elected for a mandate period until the 2013 Annual General Meeting. Authorized Public Accountant Olof Enerbäck was elected Auditor in Charge. The auditors' task is to review the President's and Board's management of the company and the quality of the company's financial reports, as well as review the Annual Report. The company's auditors participate once per year at a Board meeting to submit a report on the year's accounting and their view of the company's internal control system. Information on remuneration of auditors is found in Note 8, page 35 of the Annual Report.

Guidelines governing remuneration of senior executives

The 2012 Annual General Meeting adopted the guidelines governing remuneration of senior executives, which cover the President and Group Management, comprising five individuals for most of 2012, and are based on the following general principles:

The principles for remuneration of senior executives from a short- and long-term perspective shall attract, motivate and create favorable conditions for retaining competent employees. To achieve this, it is important to maintain fair and internally balanced conditions that are also competitive in market terms with respect to structure, scope and level. The employment terms and conditions for senior executives shall contain a well-balanced combination of fixed salary, pension benefits and other benefits, as well as special terms for remuneration in the event of termination of employment. The possibility shall exist to pay variable remuneration.

The total annual cash remuneration to senior executives shall be determined on the basis of competitiveness. The total level of remuneration shall be reviewed annually to ensure that it is in line with comparable positions in the relevant market. Remuneration shall be based on performance and positions.

The company's remuneration system shall contain various forms of remuneration aimed at creating well-balanced compensation that verifies and supports the achievement of short- and long-term goals.

The fixed salary shall be set individually and be based on the individual's responsibility and role, as well as the individual's competence and experience in the relevant position. The President and other senior executives may receive a variable remuneration if the Board resolves to this effect. Any variable remuneration must be based on extraordinary performance in relation to defined and measurable goals, as well as be maximized in relation to the basic salary and always justified, particularly in a joint Board discussion. The President's remuneration is determined by the Board of Directors. However, remuneration of the President in 2012 was through a consulting agreement.

When new pension agreements are signed, senior executives entitled to pension, excluding the President, shall receive the customary pension benefits within the framework of the general pension plan. The retirement age for senior executives is 65 years. Pension provisions must be based only on basic salary.

Other benefits, such as company car, compensation for preventive healthcare and sickness insurance, shall comprise a small

portion of the total compensation, correspond to market levels and contribute to the executive's possibilities of fulfilling his or her work assignment.

Apart from fixed and current remuneration, there is no previously approved remuneration for senior executives that has not been paid.

The period of notice for senior executives shall be six months when initiated by the executive and, in the event of notice from the company, six to 12 months. For more detailed information on remuneration of the President and senior executives, see Note 7 on page 34.

Audit Committee and Remuneration Committee

The Board has decided that it shall handle auditing matters in its entirety and held one meeting with the Group's auditors during the year. Planned and completed audits were discussed at these meetings. The audit encompasses such issues as risk assessment, risk management, financial control, accounting issues, Group policies and administrative issues. Considerable emphasis is placed on follow-ups and implementing measures. The auditors also keep the Board informed of current developments in relevant areas.

The Board also decided to address remuneration issues within the framework of Board duties. Remuneration of the President was addressed, as were the principles for remuneration of senior executives. Remuneration related to the Board of Directors' work is approved by the Annual General Meeting.

Investment Committee

The task of the Board-appointed Investment Committee is to make decisions on investments for the Group's surplus liquidity for 2012. However, the investments were divested in autumn 2012.

The Board's description of internal control and risk management in financial reporting

This description of internal control and risk management is submitted by the Board of TransAtlantic and is prepared in accordance with the Swedish Code of Corporate Governance. The Board of Directors of TransAtlantic has overall responsibility for the internal control pertaining to the financial reporting. Good internal control is

based on efficient Board work. The Board's formal work plan and instructions for the President are aimed at establishing a clear role and distribution of responsibilities to efficiently manage operational risks. Company management reports regularly to the Board of Directors, based on established procedures and also the auditor's review of the internal control in the event it had any impact on the financial reporting. Group Management is responsible for the system of internal controls that is required to handle significant risks in operating activities. This is aimed at ensuring that the operation is conducted appropriately and efficiently, as well as the financial reporting is reliable and that rules, regulations and ordinances are followed.

The company has prepared procedures for the assessment of risks in the financial reporting, as well as to attain a high reliability in the external reporting and that the reporting is prepared in accordance with laws and other requirements on listed companies.

Risk assessment and control activity

TransAtlantic's assessment pertaining to the financial reporting aims to identify and evaluate the significant risks that influence the internal control with respect to the financial reporting in the Group's companies, business areas and business processes. Considerable emphasis was placed in formulating the controls to prevent and recognize errors in these areas. The key control instrument for the financial reporting comprises primarily the company's Finance Policy. See also page 20 Risks and uncertainties.

Control environment

The Board of Directors has overall responsibility for the internal control pertaining to the financial reporting. The Board has established a formal work plan to clarify the Board's responsibilities and to regulate the distribution of work among Board members. Responsibility for maintaining an efficient control environment is based on an organization with distinct decision routes and clear instructions and with common values, where each employee has insight into his/her role in maintaining good internal control.

Information and communication

TransAtlantic's Board of Directors has established a Communication Policy, which states what shall be communicated, by whom and the manner in which the information shall be issued to ensure that the external information is correct and complete. In addition, there are instructions governing how financial information shall be communicated between management and other employees. TransAtlantic's shareholders and other stakeholders can monitor the company's operations and its development on the website, where current information is published on a continuous basis. Events deemed as having a potential impact on the share price are published through press releases. Financial information is provided through quarterly reports and year-end reports, as well as through the company's annual report.

Follow-up

The Board continuously evaluates the information submitted by company management and the auditors. The work includes ensuring that measures are implemented that address inadequacies and preparing proposals for measures that arise in the external audit.

Internal audit

The Board has not found any reason to establish an internal audit function considering the size of the Group and the centralization of the finance administration.

Significant guidelines that are important to financial reporting are continuously updated and communicated to employees concerned.

Fees and remuneration

Fees and remuneration to the President and Group Management are described in more detail in Note 7 on page 34.

Key policies

In addition to those listed above, the Board's responsibilities include ensuring that the Group's policies are kept updated and are observed. The Group has policies on such issues as investments, financing and foreign currency matters, approval and authorization of and attestation instructions for financial commitments, communications/ Investor Relations, as well as ethics and a code of conduct. As part of the Group's responsibility, there are also health, safety, environmental and quality policies (HSEQ policy) for the company's operations at sea and on land.

Gothenburg, March 20, 2013

Christen Sveaas
Chairman

Folke Patriksson
Deputy Chairman

Henning E. Jensen
Board member

Håkan Larsson
Board member

Magnus Sonnorp
Board member

Christer Lindgren
Employee representative

Auditor's report on the Corporate Governance Report

To the Annual General Meeting of Rederi AB TransAtlantic (publ), corporate registration number 556161-0113

The Board of Directors is responsible for the Corporate Governance Report for the year 2012 on pages 8–12 and that it was prepared in accordance with the Annual Accounts Act.

We have read the Corporate Governance Report and based on that reading and our knowledge of the company and the Group, we believe that we have a sufficient basis for our opinions. This means that our statutory examination of the Corporate Governance Report is different and substantially less in scope than an audit conducted in accordance with International Standards on Auditing and generally accepted auditing standards in Sweden.

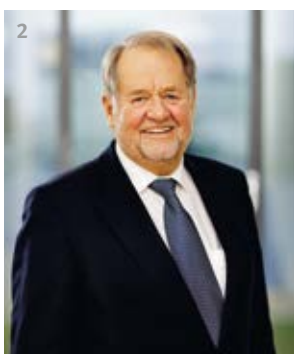
In our opinion, the Corporate Governance Report has been prepared and its statutory content is consistent with the annual accounts and the consolidated accounts.

Gothenburg, March 22, 2013

PricewaterhouseCoopers AB

Olof Enerbäck
Authorized Public Accountant

Board of Directors



1. Christen Sveaas

Born 1956, Oslo.
Chairman of the Board since 2010. Christen Sveaas has several Board assignments including Chairman of Kistefos Skog AS, Kistefos Holding AS and Anders Sveaas' Almennyttige Fond, a Norwegian charitable foundation. He is also a member of Dean's Council Executive Committee. Christen Sveaas has a Lic.oec. HSG degree from St Gallen, Switzerland.
Shareholding: 3,693,178 Series A shares and 66,090,461 Series B shares through companies.
Board fee: SEK 400,000/year.

2. Folke Patriksson

Born 1940, Skärhamn.
Deputy Chairman.
Board member since 1972.
Folke Patriksson is the Deputy Chairman and has been a Board member since 1972. Folke Patriksson was previously the Chairman of the Board of the Swedish Sea Rescue Society and is now Board member of Swede Ship Marine AB. Folke Patriksson holds a mate's examination (degree in Nautical Science) and has 40 years' experience of the shipping industry. He is one of the founders of TransAtlantic and was formerly CEO of the company for 32 years.
Shareholding: 2,532,122 Series A shares and 1,399,490 Series B shares through companies.
Board fee: SEK 200,000/year.

3. Henning E. Jensen

Born 1960, Oslo.
Board member since 2011.
President and CEO of TransAtlantic. Henning E. Jensen is also CEO of Kistefos. Henning Jensen's previous assignments included Senior Vice President Chairman of the Supervisory Board, Controller, Managing Director, Director and Vice President of TE Connectivity, as well as CEO and Chairman of RHI AG. Henning E. Jensen has experience from executive positions in various industries including RHI AG, TE Connectivity and General Motors. He was also a Professor of Finance at the University of San Francisco, where he also received his degree.
Shareholding: –
Board fee: SEK 200,000/year.

4. Håkan Larsson

Born 1947, Gothenburg.
Board member since 1993.
Håkan Larsson was the CEO of TransAtlantic from 2003 to 2007 and was previously CEO of Bilspedition/BTL and Schenker AG. Håkan Larsson is Chairman of the Board of Schenker AB, Inpension Asset Management AB and Valea Holding AB. He is Board member of Walleniusrederierna AB, Bure Equity AB, Handelsbanken Region West, Semcon AB, Stolt-Nielsen Ltd and Svenska Skeppshypotek. Håkan Larsson is a Graduate in Business Administration from the University of Gothenburg.
Shareholding: 2,400 Series A shares and 100,000 Series B shares.
Board fee: SEK 200,000/year.

5. Magnus Sonnorp

Born 1967, Stockholm.
Board member since 2010.
Magnus Sonnorp is a Board member of Linver AB and Sulgrave Rd AB, Brunkeberg Industriutveckling AB and Planglasteknik Stockholm AB, as well as a Board member of Secure Glass Holding AB and was previously the Chairman of the Board of ClearSense AB and EDSA Holdings. Magnus Sonnorp holds a M.Sc. in Economics from Stockholm School of Economics and an MBA from Insead.
Shareholding: 50,000 Series B shares.
Board fee: SEK 200,000/year.

6. Christer Lindgren

Born 1965, Stockholm.
Board member since 2001.
Employee representative.
Christer Lindgren is a chef and sailor.
Board member of SEKO seafarers.
Shareholding: –
Board fee: –

Management



1. Henning E. Jensen

President and CEO
Born 1960, Oslo.
CEO since 2012.

Education: Bachelor of Arts, University of San Francisco, MBA, University of San Francisco and Cand. Dr., Hochschule St. Gallen, Switzerland.

Shareholding: –

2. Christian W. Berg

Head of Viking Supply Ships business area

Born 1968, Copenhagen.
Employed since 2011.

Education: Maritime law studies at Vestfold University College in Horten, Norway and Norwegian Navy Academy at Befalskolen for Marinen in Horten, Norway.

Shareholding: –

3. Heléne Mellquist

Head of Industrial Shipping business area and CFO until the takeover of acting CFO Erik Hansen.

Born 1964, Gothenburg.
Employed since 2012.

Education: University of Gothenburg, B.Sc. Economics, IFL at the Stockholm School of Economics, Executive Program.

Shareholding: –

4. Britta Stolt

HR Manager

Born 1965, Gothenburg.
Employed since 1993.

Education: Developer program and Advanced strategic HR program.

Shareholding: –

5. Erik Hansen (not in picture)

Acting CFO from January 2013.

Born 1953.

Education: MBA from Insead Business School, Graduate in Business Administration from Warwick Business School in the UK.

Shareholding: –



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Board of Directors' Report 2012

Rederi AB TransAtlantic (publ) – corporate registration number 556161-0113

TransAtlantic's 2012 financial year was once again marked by structural changes and a continued challenging business climate that resulted in a loss.

Sales, earnings and business development

The Group's net sales for 2012 totaled SEK 3,274 M (2,989). Loss before tax amounted to SEK 356 M (loss: 466) and loss after tax was SEK 393 M (loss: 435). The results for 2012 were largely impacted by a challenging and competitive market for Industrial Shipping and Viking Supply Ships.

The improvement in the result compared with 2011 was mainly attributable to reduced restructuring costs of SEK 152 M and reduced depreciation/amortization of SEK 81 M for Viking Supply Ships based on the upward adjustment on the residual value of vessels. The results for 2012 were impacted by restructuring items and acquisition effects totaling a negative SEK 29 M (neg: 194). These items comprised capital gains from the sale of fixed assets in the net amount of SEK 11 M and reserved costs for the flagging of the nationality of vessels, changes in the land-based organization and changes in leasing arrangements totaling a negative SEK 40 M.

Industrial Shipping business area

The business area offers integrated logistics solutions with vessel transports, with the Baltic Sea and northern Europe as the primary markets. The business is primarily operated through system traffic using RoRo, container vessels and contractual bulk traffic. The business area comprises three divisions – RoRo, Container and Bulk – which work together to achieve the optimal capacity utilization and customer service.

The year was characterized by a weak market with low demand, increased competition and over capacity. The weak EUR also had an impact on the earnings trend, as did a major customer bankruptcy during the second quarter. Net sales for the year totaled SEK 2,212 M (2,259) and an operating loss before tax of SEK 208 M (loss: 162) was posted.

During the year, Industrial Shipping continued work on its savings and growth program, which includes staff cutbacks, an

adaptation of the vessel fleet, centralization of functions for the head office in Gothenburg and an increased focus on sales with a greater range of services.

In the fourth quarter, Heléne Mellquist was appointed the new Head of the Industrial Shipping business area.

During the year, the RoRo division operated liner traffic between Finland and Sweden/Germany/Belgium with three lines: TransLumi Line, TransBothnia Line and TransFeeder North. In October, the Finnish shipping company Merilinjas was acquired, which included a major new customer. The acquisition also entails another new line between Kokkola and Antwerp. The division's volumes to Europe declined due to the prevailing economy at the same time as container-based overseas freight increased in volume toward year-end. Overall, the division reported a negative result for 2012. A major customer was added in the fourth quarter.

During the year, Division Container operated container-based liner traffic in England (TransPal Line) and feeder traffic to Germany (TransFeeder South). A vessel (Trans Njord) was sold in early 2012. The prevailing economy combined with increased competition and over capacity had a negative impact on the division's lines in the form of decreased volumes and lower shipping rates. To offset the lower volumes, the division focused on increased sales of inter-European cargo and increased its service through the TransPal Line to include Szczecin. The division reported a negative result for the year.

During the year, Division Bulk adapted its fleet to the market's needs and thus reduced the number of vessels. The lower bulk tonnage primarily operates in the Baltic Sea, but also calls on continental ports. Late in the second quarter, one of the division's major customers declared bankruptcy, which had a negative impact on sales and earnings. The bankruptcy also impacted another customer's shipments with the division. Their contractual volumes between Storugns and Luleå/Kokkola were discontinued during

the end of the year at no additional cost.

During the year, the market was characterized by an excessive supply of tonnage and low contractual volumes among the major customers. The division reported a negative result for the year.

Viking Supply Ships business area

The business area's fleet comprises a total of 14 offshore vessels, eight of which are Anchor Handling Tug Supply vessels (AHTS) and six are Platform Supply Vessels (PSV). The business area is active in the market for arctic offshore, in the offshore spot market in the North Sea and in the global offshore sector. The vessels are equipped and have the capacity to operate in areas with cold and harsh weather conditions. Three of the AHTS vessels have ice-breaking capacity and four of the AHTS vessels are ice reinforced.

The year was characterized by a generally weak spot market in the North Sea with an excessive supply of vessels, which resulted in a decline in activity in the business area. Net sales for the year totaled SEK 1,062 M (730) and an operating loss of SEK 119 M (loss: 110) was posted. A change in the assessment of the residual value of vessels, effective as of January 1, 2012, reduced depreciation/amortization for the year in the amount of SEK 81 M.

In March, Viking Supply Ships issued NOK 300 M in unsecured bonds – which mature in March 2017 – in the Norwegian bond market. The bonds have a deposit limit of NOK 750 M. The funds are to be used for investments, costs related to the expansion of the vessel fleet and general needs within the company. The bond was listed on the Oslo ABM on June 28, 2012. As a result of this, Viking Supply Ships will issue quarterly financial reports. Certain figures in these reports will not be comparable with those of the Group since Viking Supply Ships and the Group have different costs and depreciation plans. Since the third quarter of 2011, Viking Supply Ships has been built up through the inter-Group transfer of vessels and operations at the current

market values at the time of transfer, thus causing differences in cost.

During the year, the AHTS vessels had a capacity utilization rate of 67%. Odin Viking was sold in a sale-and-leaseback transaction with a duration of eight years and at a capital loss of SEK 8 M with liquidity improving by SEK 164 M.

In 2012, the PSV market was dominated by the introduction of several newly built vessels in the market. Following a positive start to the year, the market weakened during the latter three quarters of the year. The vessels had a capacity utilization rate of 75%.

Group-wide

In conjunction with the completion of the operational division of the Group during the year, Group-wide costs including Ship Management, which was previously recognized as an independent segment, were divided. As of 2012, they are included in the Industrial Shipping and Viking Supply Ships business areas. In conjunction with this change, the comparative figures have been recalculated. For further information, refer to Note 3 on page 32.

Investments and divestments

The Group's gross investments totaled SEK 489 M (1,239) before deductions for financing. The investments primarily comprised a cash payment for the delivery of the Brage Viking, which was made in January 2012, the acquisition of Merilinja and dockings.

The divestment of the AHTS vessel Odin Viking generated a positive liquidity effect of SEK 164 M after the final amortization of loans. The sale of the property generated a positive liquidity effect of SEK 32 M. In accordance with a resolution by the General Meeting of Shareholders, MultiDock Cargo Handling AB was sold to Skärgårdshavet AB during the year.

Cash flow and financial position

The Group's opening cash balance was SEK 548 M (637). Cash flow from operating activities amounted to a negative SEK 91 M (pos:

115). Investing activities generated a net gain of SEK 27 M (loss: 478) and included SEK 164 M from the sale-and-leaseback transaction of the AHTS vessel, Odin Viking.

The liquidity trend from financing activities was a negative SEK 115 M (pos: 273) and included a positive effect from the issue of a new bond loan in the amount of SEK 345 M and the repayment of a loan pursuant to the above sale-and-leaseback transaction. A factoring agreement was also entered into during the fourth quarter with a positive effect on liquidity of SEK 22 M.

Cash flow during the year amounted to a negative SEK 180 M (neg: 90). The Group's cash and cash equivalents totaled SEK 361 M (548) at year-end.

At the end of the year, the Group's total assets amounted to SEK 5,745 M (6,283) and shareholders' equity to SEK 2,103 M (2,493) corresponding to SEK 19.00/share (22.50). At year-end, the equity/assets ratio was 36.6% (39.5) and the debt/equity ratio was 124.7% (97.7).

Parent Company

The Parent Company's loss before tax for the full-year was SEK 211 M (profit: 1,225). Loss after tax was SEK 278 M (profit: 1,216). The results included capital gains from the sale of properties in the amount of SEK 11 M, and a positive impact on earnings of SEK 6 M from final settlement of the acquisition of Österströms International AB. The results also included a capital loss of SEK 30 M from inter-Group sales of subsidiaries, the impairment of shares in subsidiaries in the amount of SEK 203 M, and Group contributions in the net amount of SEK 128 M.

Earnings in the preceding year included inter-Group transactions in the amount of SEK 1,186 M and capital gains of SEK 244 M from the divestment of the holding companies for Obbola, Östrand and Ortviken.

The Parent Company's shareholders' equity amounted to SEK 2,605 M (2,883) and total assets at year-end amounted to SEK 3,466 M (4,526). The equity/assets ratio was

75% (63) on the balance-sheet date. At the end of the period, cash and cash equivalents totaled SEK 84 M (202).

Significant events after the end of the year

The majority owner Kistefos AS conducted a restructuring of the companies through which Kistefos AS owns TransAtlantic. Following this restructuring, Viking Invest AS is the formal owner of the Kistefos Group's capital holding of 62.9% of the shares in TransAtlantic.

In January 2013, Erik Hansen was appointed acting CFO of TransAtlantic.

Viking Supply Ships will centralize all of its support and operational functions to the head office in Copenhagen as of July 1, 2013. Under the proposal, Viking Supply Ships' office in Gothenburg will be closed and the office in Kristiansand will be converted to exclusively being a sales office.

The Swedish Maritime Administration has opted not to extend the charter contracts for the anchor-handling vessels, Tor Viking and Balder Viking, which will thus conclude their assignments after the first quarter of 2014 and 2015.

Viking Supply Ships A/S has entered into a longer-term chartering agreement with a major oil company for one of the shipping company's AHTS icebreaking vessels (the Tor or Balder Viking). The chartering agreement applies for the 2014 and 2015 seasons in the subarctic waterways, with options for 2016 and 2017. The total value of the contract is about USD 36.5 M.

Environmental and sustainability related matters

Reducing emissions of carbon dioxide and other emissions from the vessels is assigned high priority in TransAtlantic. The Group works actively on continuous improvements regarding fuel savings onboard all vessels and has charted its used energy in detail to see where the greatest savings can be achieved. This project includes such activities as logging fuel consumption, trimming, scrubbing the hull and docking

at wharfs. TransAtlantic is environmentally certified and participates in the Clean Shipping Index with the aim of satisfying customer requests and being transparent when addressing the Group's stakeholders.

An active effort is underway to meet the new sulfur requirements that are being introduced in conjunction with SECA 2015. Different solutions are being evaluated for various types of vessels to analyze and develop the appropriate methods. TransAtlantic is also participating in various work groups in the shipping and maritime sectors and is at the forefront in the form of advanced technical solutions for customers.

Reducing staff turnover and maintaining and developing our human capital are efforts which TransAtlantic focuses on from a sustainability perspective and with the aim of being in a solid position when MLC2006 (Maritime Labor Convention) is implemented in August 2013. This also includes combating corruption and championing human rights throughout the entire organization. Labor conditions and the occupational health and safety environment in the Group are continuously being improved by addressing anomalies and seeking the causes of incidents.

Risks and uncertainties

The TransAtlantic Group is characterized by a high degree of international operations and is thus exposed to a number of operational and financial risks. TransAtlantic works actively to identify, assess and manage these risks. Risk management is included in the continuous monitoring of operations.

The Group's liquidity for 2013 is strained and exposed to risks. Accordingly, TransAtlantic has defined and taken specific initiatives to strengthen the company's profitability and liquidity. The initiatives are aimed at increasing revenues, reducing costs, improving the company's working capital, conducting an active liquidity management and adapting the vessel fleet. The company also continues to work proactively with lending banks to ensure a stable short and long-term financing, including possible waivers for 2013 and the years to come. TransAtlantic secured waivers from the appropriate banks for the fourth quarter of 2012 in conjunction with the Group failing to fulfill some of the loan agreements covenants on financial key figures.

The financial risk management is handled by the Group's central finance department, based on the finance policy adopted by the Board. The policy includes clear instructions regarding how to manage various risks, in which different types of derivative instruments comprise key elements in minimizing financial risks. The policy also includes instructions for the management of credit and liquidity risks through financing and credit lines. For more information about financial risks, refer to Note 32 on page 49.

The vessels are recognized at cost with deductions for depreciation according to plan and impairment losses. The value of the vessels is much more difficult to determine than usual in the current market situation. The Group's vessels were valued using external appraisers and internal calculations on the return on the value. A change in the assessment of the residual value of vessels in Viking Supply Ships, which has been in effect since January 1, 2012, reduced amortization/depreciation for the year by SEK 81 M. The results for the year were not charged with any impairment losses of vessel values.

Corporate tax

The general scenario for the Group is that its payable tax is highly limited. Accordingly, the recognized corporate tax primarily comprises deferred taxes. In November, the Swedish Parliament passed a motion to reduce the corporate tax rate from 26.3% to 22% as of January 1, 2013. As a result of the reduction, the Group's deferred tax liabilities and assets attributable to Swedish units declined as of December 31, 2012. The change had a negative impact of SEK 13 M on the net value of the Group's deferred taxes. The net recognized deferred tax asset for the Swedish operation was SEK 74 M (106) at December 31, 2012. The total recognized tax liability for the foreign operation was SEK 18 M (43).

Number of employees

The number of employees in the Group at the end of the year totaled 787 (833). Further information is found in Note 7 on page 34.

Outlook

Industrial Shipping continues to work on strengthening its competitiveness and financial position. The market in Industrial

Shipping's areas of operation are deemed to remain demanding and characterized by over capacity. For Viking Supply Ships, competition in the underlying market trend is expected to gradually improve.

Described in specific sections

The following are described in specific sections of the annual report:

- The TransAtlantic share and ownership structure; refer to page 54.
- Corporate governance with a description of the Board and management work, including the guidelines for the remuneration of senior executives; refer to page 8.

Proposed treatment of appropriated earnings:

The following funds in the Parent Company are available to the Annual General Meeting:

SEK 000s	
Share premium reserve	388,159
Earnings brought forward	2,137,802
Loss for the year	-277,999
Total	2,247,962

The Board of Directors proposes that no dividend be paid for the 2012 financial year

SEK 000s	
To be carried forward	2,247,962
Total	2,247,962

Annual General Meeting

Rederi AB TransAtlantic's Annual General Meeting will be held on Wednesday, April 24, 2013, at 4:00 p.m. at the Quality Hotel 11, Eriksberg, in Gothenburg, Sweden. The notice of the Meeting will be published not later than four weeks prior to this date on the company's website and in Post & Inrikes Tidning. Information that the notification has been made will be advertised in Dagens Industri and Göteborgs-Posten.

Information about the Nomination Committee is available on the website: www.rabt.se

Earnings, cash flow and balance sheet

The Group's and Parent Company's earnings, liquidity and financial position are set forth in the following income statements, cash-flow statements and balance sheets, and in the notes relating to them.

Income statement

SEK 000s	Note	Group		Parent Company	
		2012	2011	2012	2011
	1, 3, 33				
Net revenue	2, 3, 4	3,274,053	2,989,468	1,247,167	1,332,815
Other operating income	5	27,999	10,031	17,786	112
Direct travel expenses		-1,488,760	-1,573,977	-485,924	-436,194
Personnel expenses	7	-669,641	-701,323	-166,442	-306,635
Other external operating expenses	4, 8	-992,137	-643,523	-694,163	-736,833
Other operating expenses	6	-28,311	-14,206	-3,435	-4,027
Other net profit/loss, net	9	-3,730	608	3,040	—
Depreciation and impairment of tangible and intangible fixed assets	10	-263,385	-414,942	-2,758	-22,850
Profit from share in associated companies	11	597	-451	-854	-14,915
Operating profit/loss		-143,315	-348,315	-85,583	-188,527
Profit/loss from share in Group companies	12	—	—	-103,565	1,428,184
Financial income	13	36,178	20,674	33,070	54,527
Financial expense	14	-248,296	-138,705	-54,924	-69,639
Profit/loss before tax		-355,433	-466,346	-211,002	1,224,545
Income tax	15	-37,290	31,798	-66,997	-8,454
Profit/loss for the year		-392,723	-434,548	-277,999	1,216,091
Attributable to:					
Parent Company's shareholders		-391,612	-429,936	-277,999	1,216,091
Non-controlling interests		-1,111	-4,612	—	—
		-392,723	-434,548	-277,999	1,216,091
Earnings per share attributable to Parent Company's shareholders, per share, SEK (before and after dilution)	16	-3.53	-6.49	—	—

Statement of comprehensive income

SEK 000s	Group		Parent Company	
	2012	2011	2012	2011
Profit/loss for the year	-392,723	-434,548	-277,999	1,216,091
Other comprehensive income/expense, net after tax:				
Change in hedging provision	-304	-24,760	—	—
Change in translation provision	2,728	13,797	—	—
Other comprehensive income/expense, net after tax	2,424	-10,963	—	—
Comprehensive income/expense for the year	-390,299	-445,511	-277,999	1,216,091
Attributable to:				
Parent Company's shareholders	-387,191	-441,424	—	—
Non-controlling interests	-3,108	-4,087	—	—
	-390,299	-445,511	-277,999	1,216,091

Balance sheet

Balance sheet at December 31 SEK 000s	Note 1	Group		Parent Company	
		2012	2011	2012	2011
Assets					
Fixed assets					
Vessels	10	4,608,018	4,558,882	—	—
Buildings and land	10	1,018	21,576	272	20,786
Equipment	10	49,120	52,861	2,821	4,800
Construction in progress and advance payments on tangible fixed assets	10	—	280,177	—	—
Goodwill	10	2,459	2,459	—	—
Brands	10	7,015	7,015	—	—
Other intangible fixed assets	10	24,646	4,463	23,197	9
Participations in Group companies	17	—	—	2,658,649	3,582,202
Receivables from Group companies		—	—	48,542	112,637
Participations in associated companies	17	153	153	153	153
Deferred tax assets	15	74,417	105,577	63,491	130,487
Financial assets available for sale		2,230	105	110	105
Derivative instruments	32	—	15,314	—	—
Other long-term receivables	18, 25	129,446	65,885	21,559	35,688
Total fixed assets		4,898,522	5,114,467	2,818,794	3,886,867
Current assets					
Inventories	19	44,420	69,397	15,950	20,856
Accounts receivable	20	214,314	335,728	41,924	77,526
Receivables from Group companies		—	—	461,381	196,915
Derivative instruments	32	211	1,059	—	—
Other receivables		77,830	66,464	1,731	81,181
Prepaid expenses and accrued income	21	148,702	134,013	42,895	47,039
Financial assets valued at fair value in income statement	32	—	13,610	—	13,610
Cash and cash equivalents	22	360,737	547,848	83,680	201,584
Total current assets		846,214	1,168,119	647,561	638,711
TOTAL ASSETS		5,744,736	6,282,586	3,466,355	4,525,578

SEK 000s	Note	Group		Parent Company	
		2012	2011	2012	2011
Shareholders' equity and liabilities					
Shareholders' equity and reserves attributable to Parent Company's shareholders					
	16, 23, 24				
Share capital		110,903	1,109,027	110,903	1,109,027
Other contributions from shareholders		555,285	555,285	388,159	388,159
Provisions		72,669	68,248	245,782	245,782
Profit brought forward		1,352,399	745,887	2,137,802	-76,413
Profit for the year		—	—	-277,999	1,216,091
Total shareholders' equity and reserves attributable to Parent Company's shareholders		2,091,256	2,478,447	2,604,647	2,882,646
Non-controlling interests		11,310	14,418	—	—
Total shareholders' equity		2,102,566	2,492,865	2,604,647	2,882,646
Provisions					
Provisions for pensions	25	—	—	9,309	10,463
Total provisions		—	—	9,309	10,463
Long-term liabilities					
	26				
Vessel loans		2,327,980	2,003,143	—	—
Other liabilities to credit institutions		361,909	75,026	21,950	—
Liabilities to Group companies		—	—	542,262	1,172,638
Pension commitments	25	6,171	6,807	—	—
Deferred tax liabilities	15	3,965	9,739	—	—
Derivative instruments	32	42,943	20,630	—	—
Other liabilities		44,006	66,179	19,957	31,467
Total long-term liabilities		2,786,974	2,181,524	584,169	1,204,105
Current liabilities					
	26				
Vessel loans		273,066	865,741	—	—
Other liabilities to credit institutions		17,257	57,571	18,600	59,150
Overdraft facilities		12,590	10,189	—	—
Accounts payable		126,238	178,503	41,077	64,130
Current tax liability		13,661	33,355	—	—
Liabilities to Group companies		—	—	95,153	146,212
Derivative instruments	32	1,751	7,320	—	—
Other liabilities		44,516	74,863	636	28,689
Accrued expenses and deferred income	27	366,117	380,655	112,764	130,183
Total current liabilities		855,196	1,608,197	268,230	428,364
Total shareholders' equity and liabilities		5,744,736	6,282,586	3,466,355	4,525,578
Pledged assets	28	—	—	2,372,795	3,314,556
Contingent liabilities	29	—	—	2,360,397	2,146,550

Shareholders' equity

Consolidated changes in shareholders' equity SEK 000s	Attributable to the Parent Company's shareholder						Total shareholders' equity
	Share capital	Other contributions from shareholders	Reserves		Profit/loss brought forward	Non-controlling interests	
Translation reserve			Hedging reserve				
Shareholders' equity, Jan. 1, 2011	554,514	555,285	66,084	13,652	1,188,437	18,505	2,396,477
Profit for the year	—	—	—	—	-429,936	-4,612	-434,548
Exchange-rate difference on translation of foreign operations	—	—	13,272	—	—	525	13,797
Reassessment of derivative instruments, cash-flow hedging – Note 32	—	—	—	-24,760	—	—	-24,760
Total comprehensive income/expense	—	—	13,272	-24,760	-429,936	-4,087	-445,511
New share issue	554,513	—	—	—	-12,614 ¹⁾	—	541,899
Total transactions with company's owners	554,513	—	—	—	-12,614	—	541,899
Shareholders' equity, Dec. 31, 2011	1,109,027	555,285	79,356	-11,108	745,887	14,418	2,492,865
Shareholders' equity, Jan. 1, 2012	1,109,027	555,285	79,356	-11,108	745,887	14,418	2,492,865
Reduction of share capital to unrestricted reserve	-998,124	—	—	—	998,124	—	—
Loss for the year	—	—	—	—	-391,612	-1,111	-392,723
Exchange-rate difference on translation of foreign operations	—	—	4,725	—	—	-1,997	2,728
Reassessment of derivative instruments, cash-flow hedging – Note 32	—	—	—	-304	—	—	-304
Total comprehensive income/expense	-998,124	—	4,725	-304	606,512	-3,108	-390,299
Shareholders' equity, Dec. 31, 2012	110,903	555,285	84,081	-11,412	1,352,399	11,310	2,102,566

1) Transaction costs in connection with the new share issue.

Parent Company's changes in shareholders' equity SEK 000s	Share capital	Other contributions from shareholders ¹⁾	Statutory reserve	Profit/loss brought forward	Total shareholders' equity
Shareholders' equity, Jan. 1, 2011	554,514	388,159	245,782	-63,799	1,124,656
Loss for the year	—	—	—	1,216,091	1,216,091
Total comprehensive expense	—	—	—	1,216,091	1,216,091
New share issue	554,513	—	—	-12,614 ²⁾	541,899
Total transactions with company's owners	554,513	—	—	-12,614	541,899
Shareholders' equity, Dec. 31, 2011	1,109,027	388,159	245,782	1,139,678	2,882,646
Shareholders' equity, Jan. 1, 2012	1,109,027	388,159	245,782	1,139,678	2,882,646
Reduction of share capital to unrestricted reserve	-998,124	—	—	998,124	—
Profit for the year	—	—	—	-277,999	-277,999
Total comprehensive income	-998,124	—	—	720,125	-277,999
Shareholders' equity, Dec. 31, 2012	110,903	388,159	245,782	1,859,803	2,604,647

1) Pertains to share premium reserve.

2) Transaction costs in connection with the new share issue.

Cash-flow statement

SEK 000s	Note	Group		Parent Company	
		2012	2011	2012	2011
Cash flow from current operations					
Loss/profit before tax		-355,433	-466,346	-211,002	1,224,545
<i>Adjustments for non-cash items</i>					
- Depreciation and impairment	10	263,385	414,942	2,758	22,850
- Capital gain/loss		1,111	-2,504	-10,441	-112
- Results from participations in Group companies not affecting cash flow		—	—	103,565	-1,428,184
- Interest not affecting cash flow ¹⁾		2,806	14,793	27	18,338
- Other ²⁾		-30,438	17,668	1,154	-1,068
Income tax paid		-1,422	-15,114	—	—
Cash flow from current operations before changes in working capital		-119,991	-36,561	-113,939	-163,631
Changes in working capital					
Changes in inventories		23,368	-4,299	4,906	462
Changes in accounts receivable and other current operating receivables		132,636	107,440	119,196	46,068
Changes in accounts payable and other current operating liabilities		-127,305	48,270	-68,944	50,742
Cash flow from current operations		-91,292	114,850	-58,781	-66,359
Investing operations					
Acquisition of subsidiaries	17	—	-351,533	-50	-47,925
Sale of subsidiaries		0	—	44	308,404
Acquisition of vessels		-268,865	-478,722	—	—
Sales of vessels		353,854	346,210	—	—
Cash and cash equivalents from acquired operations		—	38,283	—	—
Less cash and cash equivalents in divested operations		-751	—	—	—
Acquisitions of other intangible fixed assets	33	-23,997	—	-23,997	—
Acquisitions of other tangible fixed assets		-19,102	-2,035	-1,393	-693
Sale of other tangible fixed assets		32,797	748	32,797	748
Acquisitions of long-term receivables		-46,898	-30,600	—	-13,610
Divestment of long-term receivables		—	—	13,920	—
Cash flow from investing operations		27,038	-477,649	21,321	246,924
Financing operations					
Changes in loans from Group companies		—	—	-61,844	-441,653
Loans raised		1,109,977	984,987	—	40,000
Amortization of loans		-1,225,435	-1,253,930	-18,600	-152,220
New share issue less issue expenses		—	541,899	—	541,899
Cash flow from financing operations		-115,458	272,956	-80,444	-11,974
Change in cash and cash equivalents		-179,712	-89,843	-117,904	168,591
Cash and cash equivalents at the beginning of the year		547,848	636,893	201,584	33,150
Exchange-rate difference in cash and cash equivalents		-7,399	798	—	-157
Cash and cash equivalents, Dec. 31		360,737	547,848	83,680	201,584
1) Interest received amounts to:					
		34,821	7,857	1,706	499
Interest paid amounts to:					
		-246,305	-123,912	-23,533	-10,629
Total		-211,484	-116,055	-21,827	-10,130

2) The amount for the Group includes the reversal of liability in an amount of SEK 29,296,000 (12,424,000).

Notes

NOTE 1 Accounting and measurement policies, significant assessments and financial risk management

General information

The TransAtlantic Group conducts international contract-based shipping. The Group is organized in two business areas – Viking Supply Ships and Industrial Shipping.

The Parent Company is a limited liability company registered in Sweden, with its domicile in Gothenburg, and corporate registration number 556161-0113. The postal address for the head office is Box 8809, SE-402 71 Gothenburg, Sweden and the street address is Lindholmsallén 10. The Parent Company is listed on the Small Cap list of the NASDAQ OMX Nordic Exchange in Stockholm.

The Board of Directors approved these consolidated accounts for publication on March 20, 2013.

Basis for the preparation of the financial reports

The most significant accounting policies applied, and noted below, have been consistently applied for the years presented, unless otherwise stated. The consolidated accounts were prepared in accordance with IFRS, rules adopted by the EU and in accordance with RFR 1 Supplementary Accounting Rules for Groups and the Swedish Annual Accounts Act. Preparing reports in agreement with IFRS requires that several crucial accounting estimations be applied and that management makes certain assumptions in the application of the company's accounting policies. The main estimations and assumptions made are stated at the end of this note.

New and amended standards applied by the Group

None of the IFRS or IFRIC interpretations that are mandatory for the first time for the financial year beginning January 1, 2012 have had any significant impact on the Group.

New standards, amendments and interpretations of existing standards not yet in effect and not applied in advance by the Group

IAS 19 "Employee benefits" was amended in June 2011. The amendment entails that the Group will no longer apply the "corridor approach" and will instead recognize all actuarial gains and losses in other comprehensive income as they arise. Costs for service for prior years will be recognized immediately. Interest expenses and anticipated return on plan assets will be replaced by a net interest rate, which will be calculated using the discount rate, based on the net surplus or net deficit in the defined-benefit plan. The Group intends to apply the amended standard for the financial year beginning January 1, 2013 and the anticipated positive impact on shareholders' equity is expected to be approximately SEK 2 M, net after tax.

IFRS 9 "Financial Instruments" handles classification, valuation and recognition of financial liabilities and assets and replaces portions of IAS 39. IFRS 9 states that financial assets shall be classified in two different categories and established at the first recognition occasion. For financial liabilities, there are minor changes, which pertain to liabilities that are identified at fair value. The Group intends to apply the new standard not later than the financial year beginning on January 1, 2015 and has not yet evaluated the effects. The standard has not yet been adopted by the EU.

IFRS 10 "Consolidated financial statements" introduces no new policies but provides additional guidance for assisting in the establishment of control when it is difficult to assess. The Group intends to apply IFRS 10 for the financial year beginning January 1, 2013 and has not yet evaluated the full impact on the financial statements. The standard has not yet been adopted by the EU.

IFRS 12 "Disclosures of interests in other entities" includes disclosure requirements for subsidiaries, joint arrangements, associated companies and non-consolidated structured entities. The Group intends to apply IFRS 12 for the financial year beginning January 1, 2013 and has not yet evaluated the full impact on the financial statements. The standard has not yet been adopted by the EU.

IFRS 13 "Fair value measurement" provides an exact definition and a shared source for fair value measurements and associated information, and application guidance since other IFRS already requires or allows fair value measurement. The Group has not yet valued the full effect of IFRS 13 in the financial statements. The Group intends to apply the new standard in the financial year beginning on January 1, 2013. The standard has not yet been adopted by the EU. None of the IFRS or IFRIC interpretations not yet in effect are expected to have any significant impact on the Group.

Consolidated accounts

The consolidated accounts include the Parent Company, as well as subsidiaries, associated companies and joint ventures.

Subsidiaries

Subsidiaries are classified as companies in which the Group has a controlling influence through holding more than 50% of the voting rights, or in which the Group can exercise controlling influence through contracts or other agreements (including SPE companies – special companies formed with a limited and well-defined purpose).

The consolidated accounts were prepared in accordance with the purchase method. Accordingly, consolidated shareholders' equity – excluding the Parent Company's shareholders' equity – only includes the changes in subsidiaries' shareholders' equity that occurred following acquisition of the subsidiaries. Costs for acquisition of a subsidiary have been divided in the company's various assets and liabilities with reference to the measurement executed in connection with the acquisition, regardless of the extent of a possible non-controlling interest.

For acquisitions that occur in stages, goodwill is established on the date controlling influence arises. If the company already owns a portion of the acquired company, this is revalued at fair value and the value change recognized in for the year. Correspondingly, in a divestment where controlling influence is lost, the remaining holding is revalued at fair value and the change in value is recognized in profit and loss for the year.

The portion of the cost that exceeds the acquisition's net assets, valued at fair value, is recognized as goodwill and is subject to annual impairment testing. If the purchase price is lower than the net assets, the difference is recognized directly in profit and loss.

Transaction expenses, with the exception of transaction fees attributable to the issuance of equity instruments or liability instruments, and non-controlling interest share of subsidiaries' equity, including net assets at fair value recognized for subsidiaries, are recognized directly in profit/loss for the year.

Holdings with non-controlling influence in the net earnings for the year are recognized on a separate line.

Group-internal transactions and balance-sheet items and unrealized gains on transactions between Group companies are eliminated. Unrealized losses are also eliminated, unless the transaction represents evidence for the need to recognize impairment.

Associated companies

Associated companies are companies in which the Group has at least 20% but not more than 50% of the voting rights, giving the Group a significant influence. Participations in associated companies are recognized in the consolidated accounts in accordance with the equity method. The equity method means that shares in a company are recognized at cost, including goodwill, at the time of the acquisition and are subsequently adjusted by the Group's share of the change in the associated company's net assets. The Group's participation in the associated company's earnings is recognized under "Profit share in associated companies." The consolidated value of the holding is reported as "Participations in associated companies." Unrealized Intra-Group profit is eliminated by the share of the profit attributable to the Group. Unrealized losses are also eliminated, unless the transaction represents evidence for the need to recognize impairment. Associated companies are recognized in the Parent Company accounts at their cost. Only dividends received after the acquisition are recognized as revenues.

Transactions with shareholders with non-controlling influence

The Group manages transactions with shareholders with non-controlling influence as transactions with the Group's shareholders. In acquisitions from shareholders with no controlling influence, the difference between the purchase consideration paid and the actual acquired participation of the carrying amount of the subsidiary's net assets is recognized in shareholders' equity. Gains and losses in divestments to shareholders with non-controlling influence are also recognized in shareholders' equity.

When the Group no longer has controlling influence, each remaining holding is revalued at fair value and the change in the carrying amount is recognized in. The fair value is used as the first carrying amount and represents the basis for continued recognition of the remaining holding as associated company, joint venture or financial asset. All amounts pertaining to the divested unit, previously recognized in other comprehensive income, are recognized as if the Group had directly divested the attributable assets or liabilities. This may result in the reclassification of the amount previously recognized in other comprehensive income as earnings.

If ownership in an associated company decreases but a significant controlling influence is retained, wherever relevant, only a proportional share of the amounts previously recognized in Other comprehensive income will be reclassified as earnings

Translation of foreign currencies

All transactions included in the financial reports for each Group company are valued and recognized in the currency that provides the most accurate picture of the company's operations, its "functional currency." Goodwill and adjustments in fair value arising from the

acquisition of foreign operations are treated as assets and liabilities in these operations and are translated at closing-date rates.

The reporting currency of the Group and the Parent Company is SEK. The Parent Company's functional currency is SEK.

For Group companies that have a functional currency that is different to the Group's reporting currency, the balance sheets are translated at the closing date rate and income statements are translated at the average exchange rate for the year, whereby the translation difference is included under shareholders' equity. In the case of divestment or liquidation of such companies, the accumulated translation difference is recognized under capital gains/losses.

Profit or loss items are translated at the transaction-date rate and any exchange-rate differences are entered in the profit/loss for the year. The exception is if the transaction represents hedging and meets the criteria for hedge accounting of cash flows or net investments, since gains and losses are recognized directly against Other comprehensive income. Receivables and liabilities are translated in accordance with the principles stated under "Financial instruments" below.

Revenues

Revenues and expenses pertaining to cargo assignments undertaken are recognized successively in relation to the cargo assignment's degree of completion on the balance-sheet date. The cargo assignment's degree of completion is calculated on the basis of the number of travel days on the balance-sheet date in relation to the total number of travel days for the assignment. Other revenues, such as those for external Ship Management assignments, are recognized only after agreement is reached with the customer and the service has been delivered. Direct overhead costs that are invoiced to the customer are recognized as gross amounts in. Costs for personnel employed in the Group are recognized as gross amounts even crews of external vessels. Interest revenues are recognized in distributed across the period of maturity, applying the effective interest method. Dividend revenues are recognized when the right to receive payment has been established.

Direct travel expenses

Expenses directly attributable to cargo assignments, such as bunkers, harbor expenses, etc., are recognized in under the heading Direct travel expenses.

Government subsidies

The Swedish State subsidy to ship owners is recognized as a net amount against the payroll expenses on which it is based. Settlement is made monthly.

Income taxes

Taxes included in the consolidated accounts pertain to current and deferred tax. The Group recognizes deferred tax on temporary differences between the carrying amount and tax value of assets and liabilities. Deferred tax assets are only recognized if it is probable that the temporary differences can be utilized against future taxable surpluses. The current nominal tax rate in each country is used in calculating deferred tax. Deferred tax liabilities for temporary differences pertaining to investments in subsidiaries and associated companies are not recognized in the consolidated accounts as long as no decision on profit taking has been made. In all cases, the Parent Company can steer the timing for the reversal of the temporary differences, and it is not considered probable that a reversal will

Note 1 cont.

occur in the foreseeable future. The tax effect of items recognized in is recognized in. The tax effect of items recognized directly against other comprehensive income is recognized against other comprehensive income.

Segment reporting

The segments contain services with differing risks and returns compared with those of other areas of operations. Internal reporting and follow-up is organized based on these segments. The Group has two segments, Viking Supply Ships and Industrial Shipping. Reporting is made to the company's Group management, appointed by the President.

Tangible fixed assets

Tangible fixed assets as described below are recognized at cost or after deductions for accumulated depreciation according to plan and possible impairment.

Expenses that raise the value or return of the asset through, for example, capacity enhancements or cost rationalization, increase the carrying amount of the asset. Expenses incurred by the re-flagging of vessels are capitalized in accordance with this principle.

Expenses for major recurring inspection measures are capitalized as fixed assets, since they are considered to increase the vessel's fair value and are depreciated on a straight-line basis over the vessel's useful life. Other outlay for repairs and maintenance is classed as expenses. Dry-dock expenses within the Group are also capitalized in accordance with this principle and are depreciated over a period of 30–60 months, which is the normal time between dry-dockings.

Expenses, including interest, pertaining to vessels during the construction period are capitalized as fixed assets. Depreciation of vessels according to plan is based on an individual assessment of each vessel's useful life and subsequent remaining residual value. Impairment is recognized if the asset's estimated recoverable amount is lower than its carrying amount. The residual value and useful life of assets are tested on each balance-sheet date and adjusted if necessary. The type of fixed asset with the greatest residual value comprises vessels for which the residual value comprises the estimated scrap value at the end of the vessel's useful life.

Straight-line amortization according to plan is based on the following useful lives:

– Vessels	20–32 years
– Docking and major overhaul measures	2.5–5 years
– Computers	3–5 years
– Other equipment	5–10 years
– Buildings	20–50 years
– Land improvements	25 years

Intangible assets

Intangible assets are recognized at cost or at impaired value after deductions for accumulated amortization according to plan. A useful life is determined for each asset and this is used for straight-line depreciation according to plan.

Straight-line amortization according to plan is based on the following useful lives:

– Computer programs	4 years
– Line networks	10 years

Amortization shall not be applied for intangible assets considered to have the capacity to provide a financial return for an indefinite period. Instead, recoverable values shall be determined for assets on an annual basis or more frequently if there are indicators that an asset's value has changed.

The Group has goodwill and brands as intangible assets for which amortization is not applied. Goodwill is tested annually to identify possible needs for impairment recognition and is recognized at cost less accumulated impairment. Goodwill is distributed among cash-generating units for impairment testing, whereby cash-generating units are the traffic areas within the segments. Branding pertains to TransAtlantic, for which the recoverable value of the asset is higher than its carrying amount.

Impairment

Assets with an indeterminate useful life are tested annually for the need to recognize impairment. For assets subject to amortization according to plan, an assessment is made regarding whether the value of the asset should be impaired whenever there are indications that its carrying amount is higher than its recoverable value. The recoverable value corresponds to the higher of fair value less selling costs and value in use. Impairment is recognized in an amount equivalent to the difference between the recoverable value and carrying amount.

Financial assets

Financial assets are classified according to the following categories: Loans and accounts receivable and Financial assets available for sale. The classification is determined for the purpose of the investment at the time of acquisition. The classification is reviewed annually. Financial assets for sale are valued at fair value with transaction expenses.

Loan and accounts receivable

Loans and accounts receivable are initially recognized at fair value and subsequently at amortized cost using the effective interest method less any provision for reduction in value. A provision for value reduction of accounts receivable is made when it is clear that the Group will not receive the full amount. The Group's loan and accounts receivable comprise accounts and other receivables and cash and cash equivalents.

Borrowing

Borrowing is initially recognized at fair value, net after transaction costs. Borrowing is subsequently recognized at amortized cost. Any difference between the amount received and the repayment amount is recognized in profit and loss, distributed over the loan period using the effective interest method.

Leasing agreements

The Group acts both as lessor and lessee and has entered both financial and operational leasing agreements.

In financial leasing agreements, in which the Group enjoys the financial benefits and assumes responsibility for the risks, the item leased is recognized in the balance sheet as a fixed asset. At the beginning of the lease period, the asset is recognized at the lower of the fair value of the leased item or the current value of the minimum lease fees. Each leased item is assigned a useful life in accordance with the principles stated under tangible fixed assets. Future leasing fees less financial expenses are recognized as a liability.

Each lease payment is divided between the amortization of the liability and the financial expense.

Operational leasing agreements are recognized straight-line over the lease period in profit and loss as net sales where the Group is the lessor and as Other external expenses where the Group is the lessee.

Inventories

Inventories have been valued at the lower of cost and net realizable value. Inventories mainly comprise bunker and lubricating oils. Valuation has been made in accordance with the FIFO principle.

Pensions and similar commitments

The Group has defined-benefit and defined-contribution pension plans. Defined-benefit pension plans provide employees with pension benefits corresponding to a predetermined amount and the Group is responsible for financing these plans so that these amounts can be paid in the future. For defined-contribution pension plans, the Group pays in an established fee to an independent legal entity. Fees are recognized as personnel expenses when they mature for payment. Subsequently, the Group has no further pension commitments towards employees.

Provisions are made for all defined-benefit plans on the basis of actuarial calculations in accordance with the project unit credit method, with the purpose of establishing the current value of future commitments to current and previous employees. Actuarial calculations are conducted annually and are based on actuarial assumptions applicable on the closing date. The size of the provision is determined by the current value of future pension commitments less deductions for the fair value of plan assets, unrecognized actuarial gains/losses and unrecognized liabilities for earlier periods of service. Discount of pension commitments occurs based on the interest rates of government bonds. Actuarial gains/losses exceeding a "corridor" of 10% shall be recognized in profit and loss during employees' average remaining period of service. Also refer to the notation in the New standards section above.

Borrowing costs

Borrowing costs for new building projects are capitalized as fixed assets during the project period. Other borrowing costs are expensed as they are incurred.

Cash-flow statements

The cash-flow statements are prepared in accordance with the indirect method. The recognized cash flow comprises only transactions entailing payments received or paid out.

Cash and cash equivalents

Cash and cash equivalents include cash and bank balances, maturing within three months. Restricted cash and cash equivalents are recognized among Other long-term receivables.

Parent Company's accounting policies

The financial statements of the Parent Company are prepared in accordance with the Swedish Annual Accounts Act (1995:1554) and the Swedish Financial Accounting Standards Council's recommendation RFR 2, Accounting for legal entities. The Parent Company, in its financial statements, shall apply all of the EU-approved IFRS and statements insofar as these do not conflict with the Annual Accounts Act and the relationship between accounting and taxation. The recommendation states which exceptions are to be made and

can be made based on IFRS. This means that the Parent Company applies the same accounting policies as the Group with the exception of the instances stated below:

Classification and presentation

The Parent Company's income statement and balance sheets are set forth in accordance with the outline in the Annual Accounts Act, while the statement of comprehensive income, the statement on changes in shareholders' equity and cash-flow statements are based on IAS 1 Presentation of financial reports and IAS 7 Statement of cash flows. The differences in the Group's reports that apply in the Parent Company's income statements and balance sheets pertain primarily to shareholders' equity, as well as the presence of provisions as a separate heading.

Associated companies and subsidiaries

Participations in associated companies and subsidiaries are recognized in the Parent Company using the cost method. Carrying amounts are tested on each balance-sheet date to determine any need for impairment. Only dividends received are recognized as revenue, on the condition that these are derived from profits earned after the acquisition. Dividends that exceed these profits are considered a repayment of the investment and reduce the participation's carrying amount.

Transaction expenses are included in the carrying amount for holdings in subsidiaries and associated companies. However, transaction expenses for subsidiaries are recognized directly in profit or loss in the Group. Shareholders' contributions are recognized directly against shareholder's equity for the recipient and are capitalized in shares and participations by the contributor to the extent that impairment is not required.

Group contributions and shareholders' contributions

Shareholders' contributions are recognized in accordance with RFR 2. Group contributions from/to Swedish Group companies are recognized as a financial income/expense in profit or loss.

Untaxed reserves

The amounts included in untaxed reserves comprise taxable temporary differences. As a result of the link between accounting and taxation, in a legal entity, the deferred tax liability attributable to untaxed reserves is not recognized separately, but in its gross amount in the balance sheet.

Financial income

Net financial income in the Parent Company includes dividends on shares in subsidiaries and these are only recognized when the right to receive payment has been established.

Financial instruments

The Parent Company applies the same policies pertaining to financial instrument as the Group, except for measurement regulations in IAS 39. In the Parent Company, financial fixed assets are valued at cost less any impairment losses, and financial current assets are valued at the lower of cost or market value.

Acquisition of own shares

When own shares are acquired, unrestricted shareholders' equity is reduced by the expense for the acquisition. When own shares are transferred, unrestricted shareholders' equity is increased by the income derived from the transfer.

Note 1 cont.

Risk management

The Group's operations entail a number of operational and financial risks that may affect earnings. The most significant risks are: operational risks, market risks, liquidity risks and credit risks. The Group's overriding goal is to minimize the impact of financial and operational risks on the consolidated income statements and balance sheets.

The Board of Directors has identified these risks and developed a plan to avoid or minimize the impact on the consolidated income statement and balance sheets through various measures. Through clear policies and reporting paths, it is stated how these risks shall be managed and how presentation is to be made.

The Group's policy is thus to work with various types of insurance or financial instruments to minimize various types of risks.

Operational risks

The general economic trend in the countries where the Group is active is a crucial factor for financial development, since the economic trend has a major effect on the flows of goods, volumes, and the resultant demand for maritime transports. The trend in markets other than those where the Group is active can also affect demand for the Group's services, since the maritime transport market is highly international. The Group endeavors to maintain close contact with its customers and signs long-term cargo agreements with them to restrict the impact of economic fluctuations.

Earnings can be impacted by the loss of a vessel. These costs can be minimized through active service and damage-prevention work, resulting in lower risk of major individual cost increases. An off-hire insurance that provides financial compensation in the event of prolonged operational disruption has been taken for part of the fleet of vessels, primarily those vessels involved in scheduled services.

Capital risk

The Group's capital structure shall secure the operation of current business and enable the desired future investments and performance.

Capital is assessed on the basis of the debt/equity ratio, meaning interest-bearing net loan liabilities in relation to shareholders' equity. The net loan liability comprises long and short-term interest-bearing borrowing less cash and cash equivalents.

Total borrowing amounted to SEK 2,983 M (2,983) less cash and cash equivalents of SEK 361 M (548). The net debt thus amounted to SEK 2,623 M (2,435) and shareholders' equity to SEK 2,103 M (2,493). The debt/equity ratio was 125% (98).

Market risks

Currency risks

Shipping is a highly international business, which means that only a portion of the Group's cash flow is generated in SEK and this means that currency fluctuations have a major impact on the Groups earnings and cash flows. The foreign-exchange risk is primarily restricted by matching the exposure to revenues in various currencies with costs in the corresponding currency. In the same manner, assets in a certain currency are matched with liabilities in the same currency. The remaining exposure is hedged using various hedging instruments in accordance with Group policy, see Note 32.

Interest-rate risks

Shipping is a capital-intensive business, in which long-term loans are the principal form of financing. Accordingly, interest-rate fluctuations have a major impact on the Group's earnings and cash flow. To reduce this risk, interest levels are hedged to a large extent for varying periods of time and using various types of hedging instruments, see Note 32.

Liquidity risk

To avoid disruptions in payments flows, the Group ensures the availability of sufficiently large liquidity reserves in the form of bank deposits and loan pledges to cope with unforeseen fluctuations in cash flow, refer to Notes 22 and 26.

Credit risks

The Group only provides short working credit. These credits are mainly provided to major customers, with whom the Group has a long-term relationship. New customers are subject to a credit check prior to credit being provided. When longer-term credit is provided, this is secured by collateral.

Bunker risks

Cost changes for bunker oil can have a significant impact on earnings. Cargo contracts often include clauses that imply that the customer carries the risk of price changes. For the portion of consumption for which the Group does not have such clauses, the Group uses forward contracts for bunker oil. There is some exposure if the capacity factor is not 100% and thus not covered by the freight contract; see Note 32.

Derivative instruments/hedge accounting

The Group has derivative instruments that hedge probable forecast transactions (cash-flow hedging).

The Group utilizes derivative instruments to cover the risks of exchange-rate fluctuations and exposure in interest-rate risks. The Group applies hedge accounting for currency futures. Hedge accounting requires that the explicit purpose of the hedging measure is classed as hedging, that it has an unequivocal connection with the hedge item and that the hedging measure effectively protects the hedged position.

When a hedge is established, the relationship between the hedging instrument and the hedged item is documented, as are the objective of the hedging and the strategy for implementing hedging measures. The Group also documents its assessment, both at the onset of the hedge and on an ongoing basis during its period of application, regarding the effectiveness of the hedge in evening out changes in cash flow for the hedged items.

Derivative instruments are recognized at fair value at the time of acquisition and continuously revalued at fair value. Unrealized value changes for effective hedging pertaining to cash flow are recognized in other comprehensive income. Changes in the fair value of a derivative formally identified to hedge the fair value, and fulfill the conditions for hedge accounting, are recognized in the profit and loss with changes in the fair value, attributable to the hedged risk of the hedged asset or liability. For other derivatives that are not held by the Group and do not qualify for hedge accounting, primarily interest-rate hedging instruments, the unrealized value changes, including the effective portion of the hedge, shall be recognized directly in profit and loss.

The fair value of financial instruments is established through assessment in an active market (market appraisal) or through established valuation methods if no active market exists.

Measurement of fair value

Fair value of financial instruments traded on an active market is based on listed market prices and belongs to measurement level 1 according to IFRS 7. In the event that there are no listed market prices, fair value is measured through discounted cash flows. When measurements of discounted cash flows have been conducted, all variables, such as discount rates of interest and exchange rates for measurements, have been retrieved from market listings wherever possible. These measurements belong to measurement level 2. Other measurements, for which a variable is based on own assessments, belong to measurement level 3.

The nominal value less any credits was used as fair value for accounts receivable and accounts payable.

Significant estimations and assessments

Estimations and assessments are conducted continuously and are based on historical experience and reasonable assumptions of future developments.

Important estimations and assumptions for accounting purposes: The Group makes estimations about the future that affect its income statements and balance sheets.

The estimations with the greatest impact are:

- The useful life of tangible fixed assets and their residual value.
- Income taxes where the Group maintains operations in different countries with different tax systems (such as tonnage taxation).
- The pension liability and pension cost.

Useful-life periods and residual value are assessed in connection with annual impairment testing. A change in the assessment of the residual value of vessels, effective as of January 1, 2012, reduced depreciation/amortization for the year in the amount of SEK 81 M. The result for the year was not charged with any impairment of vessel values. Pension calculations are conducted by an actuary based on assumptions established by the company.

Important assessments in the application of the Group's accounting policies

The assessments made by the Group on the basis of its established accounting policies mainly consist of the classification of leasing agreements and assumptions concerning future cash flows for vessels. The assessment of future cash flows for vessels is based on forecasts prepared in connection with the Group's budget process, which, taking into account the impact of economic fluctuations and other known changes, is calculated at its current value with a discount factor of 8–10%. For the Group, it has been determined that the assumptions concerning future cash flows for vessels correspond to the assessment and estimation that have the greatest impact on the Group's income statement and balance sheet.

NOTE 2 Distribution of net sales

SEK 000s	Group		Parent Company	
	2012	2011	2012	2011
Cargo revenues	2,242,944	2,069,600	894,357	691,557
Time charter revenues	863,701	760,813	241,226	308,610
Expenses re-invoiced to external customers	159,361	155,030	—	33,840
Expenses re-invoiced to internal customers	—	—	109,327	295,529
Other	8,047	4,025	2,257	3,279
Total	3,274,053	2,989,468	1,247,167	1,332,815

NOTE 3 Segment reporting

Group	Viking Supply Ships				Industrial Shipping			
	2012	2011	Reallocated	2011	2012	2011	Reallocated	2011
Sales	1,061,974	568,490	1,387,875	1,956,365	2,212,079	2,258,923	—	2,258,923
Internal sales	—	—	-1,225,820	-1,225,820	—	—	—	0
Net revenue	1,061,974	568,490	162,055	730,545	2,212,079	2,258,923	—	2,258,923
Depreciation/amortization/ impairments	-190,608	-212,601	-7,179	-219,780	-72,777	-183,934	-11,228	-195,162
Profit share in associated companies	597	-451	0	-451	0	0	0	—
Operating profit/loss	54,447	-48,649	-31,331	-79,980	-197,762	-219,330	-49,005	-268,335
Financial income	29,013	1,999	3,444	5,443	7,165	9,845	5,386	15,231
Financial expenses	-207,111	-79,420	-8,252	-87,672	-41,185	-38,126	-12,907	-51,033
Loss before tax ¹⁾	-126,277	-126,070	-36,139	-162,209	-229,156	-247,611	-56,526	-304,137
Income tax	—	—	—	—	—	—	—	—
Profit/loss for the year	—	—	—	—	—	—	—	—
Assets	4,777,322	4,664,468	297,335	4,961,803	967,261	822,130	498,500	1,320,630
Capital participations in associated companies	—	—	—	0	153	—	153	153
Total assets	4,777,322	4,664,468	297,335	4,961,803	967,414	822,130	498,653	1,320,783
Liabilities	2,928,410	2,844,351	94,583	2,938,934	713,760	705,885	144,901	850,787
Total liabilities	2,928,410	2,844,351	94,583	2,938,934	713,760	705,885	144,901	850,787
Gross investments ²⁾	400,934	1,155,097	—	1,155,097	87,891	55,710	27,863	83,573

1) The loss before tax for the Viking Supply Ships business area includes a change in the assessment of the residual value of vessels, effective as of January 1, 2012, which reduced depreciation/amortization for the year in the amount of SEK 81 M, and a capital loss of SEK 8 M from the sale of Odin Viking. The loss before tax for the Industrial Shipping business area includes restructuring costs of SEK 4 M for the advance return of bare-boat leased vessels, a capital gain of SEK 11 M from the divestment of office properties, a capital gain of SEK 2 M from the divestment of TransNjord, personnel and overhead provisions of a negative SEK 23 M regarding the flagging of four vessels and changes in the land-based organization, a capital gain of SEK 6 M from the sale of the former subsidiary Multidocker Cargo Handling AB, a provision of SEK 13 M for the restructuring of leasing arrangements, a capital loss of SEK 6 M related to insurance payment/the divestment of TransAgila, and the reversal of a previously estimated additional purchase consideration of SEK 6 M since the negotiations of the final terms concerning the acquisition of Transatlantic Short Sea Bulk AB (formerly Österströms International AB) had been finalized. Viking Supply Ships' 2011 loss before tax includes restructuring and acquisition effects totaling a negative SEK 52 M comprising costs and impairments of SEK 48 M in conjunction with the establishment of the Danish offshore structure and preparations for the introduction of Viking Supply Ships on the Oslo Stock Exchange, as well as costs of SEK 4 M in connection with the acquisition of Viking Supply Ships Ltd. Industrial Shipping's 2011 loss before tax includes restructuring and acquisition effects totaling a negative SEK 142 M. The costs comprised the restructuring of the business area in conjunction with the acquisition and integration of the former Österströms Group in the amount of SEK 45 M, costs of SEK 5 M for the former President, and costs of SEK 3 M in connection with the acquisition of Transatlantic Short Sea Bulk AB. In addition, the business area impaired vessels in the amount of SEK 32 M, and made goodwill impairments of SEK 58 M.

2) Investments for the year in Viking Supply Ships primarily comprised a cash payment on the delivery of Brage Viking, which was made in January 2012, and docking fees. Investments in 2011 primarily comprised the new construction of three vessels, the acquisition of Viking Supply Ships Ltd., and capitalized docking fees. In Industrial Shipping, this year's investments mainly pertained to the acquisition of the Finnish container liner, Merilinja, which was conducted in October 2012, and capitalized docking fees. Last year's investments comprised the acquisition of Transatlantic Short Sea Bulk AB and capitalized docking fees.

In Ship Management/Group-wide, last year's investments comprised cash and cash equivalents reserved in blocked accounts, the acquisition of capital investment shares and equipment.

The Viking Supply Ships business area comprises ice-classified and icebreaking anchor-handling vessels that are used for icebreaking, for assignments for the offshore industry, with the repositioning of rigs and anchors for these and Platform Supply Vessels (PSV), which mainly transports supplies to rigs for customers in the offshore industry.

Industrial Shipping focuses mainly on contract-based shipping for Nordic base industry. The business area comprises several different areas of operation, which are integrated with each other and cooperate on tonnage and customer contracts. The RoRo Division conducts scheduled traffic using specially adapted RoRo and container vessels, which form a full-coverage maritime transport system in the Baltic Sea. The Bulk Division comprises ice-classified vessels in the medium-size bulk segment, which operate primarily in Europe.

The Container Division conducts container-based scheduled services between Sweden and the UK, and feeder traffic between Sweden and Germany.

The transactions between the business areas were conducted at market prices.

In conjunction with the conclusion of the operational division of the Group during the year, the previously recognized independent segment Ship Management/Group-wide was separated and included in the Viking Supply Ships segment and the Industrial Shipping segment. In conjunction with this change, the comparative figures were recalculated. The table above illustrates how sales, operating results and assets were allocated to these segments.

Ship Management/Group-wide				Total	
2012	2011	Reallocated	2011	2012	2011
0	1,387,875	-1,387,875	—	3,274,053	4,215,288
—	-1,225,820	1,225,820	—	0	-1,225,820
0	162,055	-162,055	—	3,274,053	2,989,468
0	-18,407	18,407	—	-263,385	-414,942
0	0	0	—	597	-451
0	-80,336	80,336	—	-143,315	-348,315
0	8,830	-8,830	—	36,178	20,674
0	-21,159	21,159	—	-248,296	-138,705
0	-92,665	92,665	—	-355,433	-466,346
				-37,290	31,798
—	—	—	—	-392,723	-434,548
0	779,615	-779,615	—	5,744,583	6,282,433
0	153	-153	—	153	153
0	779,768	-779,768	—	5,744,736	6,282,586
0	211,535	-211,535	—	3,642,170	3,789,721
0	211,535	-211,535	—	3,642,170	3,789,721
—	27,863	-27,863	—	488,825	1,238,670

Secondary segments Distribution by geographic area:

	Group	
	2012	2011
Net sales		
Sweden	1,401,221	1,045,443
Nordic countries	609,325	522,722
Rest of Europe	964,524	1,114,975
North America	264,242	275,368
Rest of the world	34,741	30,960
Total	3,274,053	2,989,468
Assets		
Sweden	2,914,184	5,112,060
Nordic countries	486,308	853,081
Rest of Europe	2,344,244	317,598
North America	0	0
Rest of the world	0	0
Total	5,744,736	6,282,739
Investments		
Sweden	87,168	82,335
Nordic countries	400,934	842,408
Rest of Europe	723	313,927
North America	0	0
Rest of the world	0	0
Total	488,825	1,238,670

NOTE 4 Purchases and sales among Group companies

Parent Company

The Parent Company's net sales include sales to other Group companies in the amount of SEK 116,949,000 (304,664,000).

The Parent Company's other external operating expenses include purchases from other Group companies of SEK 45,503,000 (87,545,000).

NOTE 5 Other operating income

SEK 000s	Group		Parent Company	
	2012	2011	2012	2011
Capitalized own work	—	2,233	—	—
Capital gain/loss	19,338	7,798	11,286	112
Additional purchase consideration, Österströms ¹⁾	6,500	—	6,500	—
Other	2,161	—	—	—
Total	27,999	10,031	17,786	112

1) During the acquisition of Österströms International AB, the estimated additional purchase consideration was provisioned, which generated a positive impact on earnings after the finalization of negotiations.

NOTE 6 Other operating expenses

SEK 000s	Group		Parent Company	
	2012	2011	2012	2011
Exchange-rate difference	-18,023	-8,806	—	-4,027
Capital losses	-10,288	-5,400	-3,435	—
Total	-28,311	-14,206	-3,435	-4,027

Refer also to Note 1.

NOTE 7 Average number of employees, sickness absence, salaries, other remuneration and social security costs, etc.

Average number of employees	2012		2011	
	No. of employees	Of whom, women %	No. of employees	Of whom, women %
Parent Company				
Sweden				
– land-based	73	44%	87	46%
– shipboard	198	1%	317	2%
Total, Parent Company	271	13%	404	12%
Subsidiaries				
Sweden				
– land-based	77	42%	75	41%
– shipboard	236	4%	177	8%
Denmark				
– land-based	15	33%	13	31%
– shipboard	148	5%	36	8%
UK				
– land-based	50	26%	11	27%
– shipboard	0	0%	133	2%
Finland				
– land-based	8	25%	8	38%
Russia				
– land-based	6	17%	6	33%
Poland				
– land-based	6	17%	6	0%
Estonia				
– land-based	11	18%	8	0%
Latvia				
– land-based	4	25%	4	25%
Netherlands	3	0%	3	33%
Norway	8	50%	4	50%
Total, subsidiaries	572	14%	484	14%
Group total	843	14%	888	13%

Salaries, other remuneration and social security costs

SEK 000s	2012		2011	
	Salaries and remuneration	Social security costs (of which, pension costs)	Salaries and remuneration	Social security costs (of which, pension costs)
Parent Company	126,889	79,712	260,161	136,121
		(29,628)		(39,225)
Subsidiaries in Sweden	145,376	83,939	124,388	84,032
		(36,721)		(21,271)
Foreign subsidiaries	176,360	22,712	36,995	6,298
		(15,418)		(2,913)
Group total	448,625	186,363	421,544	226,451
		(81,767)		(63,409)

Salaries and other remuneration by country

SEK 000s	2012		2011	
	Board and President ¹⁾	Other employees	Board and President	Other employees
Parent Company				
Sweden	4,051	122,838	11,484	248,677
Total, Parent Company	4,051	122,838	11,484	248,677
Dotterföretag i Sverige	610	144,766	2,492	121,896
Foreign subsidiaries:				
Norway	–	8,512	–	–
Netherlands	–	18,283	90	949
Denmark	–	77,177	–	10,120
UK	–	48,665	–	15,301
Finland	–	5,993	–	4,036
Estonia	–	1,594	126	695
Latvia	–	810	244	226
Poland	–	801	406	470
Russia	–	5,841	632	3,700
Germany	–	8,684	–	–
Total, foreign subsidiaries	–	176,360	1,498	35,497
Group total	4,661	443,964	15,474	406,070

1) The amount for the Parent Company includes consulting fees totaling SEK 2,784,000 (3,132,000), and non-recurring remuneration to the departing President totaling SEK 0 (3,937,000).

The Parent Company received a government shipping subsidy of SEK 46,685,000 (122,448,000) and the total shipping subsidy received by the Group amounted to SEK 48,096,000 (130,651,000). The figures in the Note above pertain to amounts before reductions for the government shipping subsidy received.

Salaries and other remuneration paid to the Board of Directors and senior executives

Remuneration paid to the Board of Directors Jan 1–Dec 31 (SEK 000s)	Board fee	
	2012	2011
Christen Sveaas, Chairman	400	400
Folke Patriksson, Deputy Chairman	200	200
Åge Korsvold ¹⁾	0	167
Christer Olsson ²⁾	67	200
Håkan Larsson	200	200
Magnus Sonnorp	200	200
Henning E. Jensen ³⁾	200	33
Christer Lindgren, employee representative	–	–
	1,267	1,400

1) Resigned at the Extraordinary General Meeting in November 2011.

2) Resigned at the Annual General Meeting in April 2012.

3) Elected at the Extraordinary General Meeting in November 2011.

During the ten-year period from 2004 to 2013, the Deputy Chairman of the Board is entitled to a pension corresponding to 70% of his final annual salary. Subsequently, a lifelong defined-benefit pension is paid corresponding to the ITP plan. To cover the company's pension commitment, which amounted to SEK 9,061,000 at December 31, 2012, pension-insurance plans have been signed with a market value of SEK 8,997,000 as at December 31, 2012. During 2012, the company had no expenses for this commitment. There are no other pension commitments for the Parent Company's Board members.

Remuneration paid to senior executives

SEK 000s	Salary		Other benefits		Pension premium		Consulting fees		Total	
	2012	2011	2012	2011	2012	2011	2012	2011	2012	2011
CEO Rolf Skaarberg ¹⁾	—	—	—	—	—	—	—	3,132	—	3,132
CEO Stefan Eliasson ²⁾	—	6,404	—	46	—	502	—	—	—	6,952
CEO Henning E. Jensen ¹⁾	—	—	—	—	—	—	2,784	—	2,784	—
Other senior executives, four persons (four) ³⁾	8,954	5,624	583	374	1,197	1,182	—	3,423	10,734	10,603
Total	8,954	12,028	583	420	1,197	1,684	2,784	6,555	13,518	20,687

1) Rolf Skaarberg was President of the Parent Company during the period April 1–December 30, 2011. During the year, remuneration of NOK 300,000 per month was paid to Rolf Skaarberg in accordance with a consultancy agreement signed with Kistefos AS. Henning E. Jensen assumed the position of President on December 31, 2011 and he also receives remuneration in accordance with a consultancy agreement with Kistefos AS. Remuneration of NOK 200,000 per month was paid.

2) The amount includes six months' termination notice salary and 12 months' severance pay to Stefan Eliasson, who resigned as President on March 31, 2011.

3) The President of the Industrial Shipping business area, Kim Sørensen, stepped down on November 15 and was replaced by the then CFO, Heléne Mellquist, as of October 1. In 2011, the Group's CFO and the President of the Viking Supply Ships during parts of the year – eight months and five months, respectively – was paid fees in accordance through a consulting agreement. The Group's former CFO and former Head of Viking Supply Ships were paid fees via consultancy agreements for eight and five months, respectively, during the year.

Termination notice on the part of the company for other senior executives is six to 12 months. This group follows the ITP plan and is entitled to company cars. These individuals are entitled to a lifelong pension from the age of 65, corresponding to the ITP plan. In 2012, the group included two (one) women.

The Group paid no separate fees to members of the Boards of subsidiaries and Group companies.

The separate Corporate Governance section in the Annual Report addresses matters regarding decisions on remuneration.

NOTE 8 Audit assignments

Expensed fees and reimbursements during the year amounted to:

SEK 000s	Group		Parent Company	
	2012	2011	2012	2011
Fees pertaining to audit assignments				
– PwC	3,432	3,427	2,690	2,380
– BDO	—	209	—	177
– KPMG	775	816	—	—
– Other audit companies	823	984	—	—
Fees pertaining to auditing operations in addition to the audit assignment				
– PwC	97	1,923	97	1,618
– Other audit companies	—	48	—	—
Fees pertaining to tax advice				
– PwC	1,972	4,341	495	4,012
– Other audit companies	35	48	—	11
Other services				
– PwC	975	991	—	16
– Other audit companies	49	—	—	—
Total	8,158	12,787	3,282	8,214

NOTE 9 Other profits/losses – net

SEK 000s	Group		Parent Company	
	2012	2011	2012	2011
Interest-hedge derivative				
– Fair value gains	–3,730	608	3,040	—
Total	–3,730	608	3,040	—

1) Refer also to Note 32 Financial risk management and derivative instruments, section "Fair value of derivative instruments."

NOTE 10 Tangible and intangible fixed assets

Vessels ¹⁾ , SEK 000s	Group		Parent Company	
	2012	2011	2012	2011
Costs				
Costs, Jan 1	5,856,608	4,499,976	—	—
Purchases during the year (incl. improvement costs)	398,077	49,181	—	—
Acquisitions through corporate acquisitions	—	772,226	—	—
Reclassifications	280,177	1,174,756	—	—
Sales/scrapping	-578,077	-679,348	—	—
Translation difference for the year	-13,076	39,817	—	—
Accumulated costs, Dec. 31	5,943,709	5,856,608	—	—
Accumulated depreciation according to plan				
Depreciation, Jan 1	-1,094,794	-1,048,559	—	—
Sales/scrapping	150,326	228,766	—	—
Translation difference for the year	6,268	-423	—	—
Depreciation according to plan for the year ²⁾	-240,539	-274,578	—	—
Accumulated depreciation according to plan, Dec. 31	-1,178,739	-1,094,794	—	—
Impairment				
Impairment, Jan 1	-202,932	-281,114	—	—
Sales/scrapping	37,431	112,015	—	—
Translation difference for the year	8,549	-1,793	—	—
Impairment for the year	—	-32,040	—	—
Accumulated impairment, Dec. 31	-156,952	-202,932	—	—
Residual value according to plan, Dec. 31	4,608,018	4,558,882	—	—

The average remaining service life of vessels is 13 (13) years.

1) In the current market situation, it is more difficult than normal to determine vessel values. The value of the Group's vessels was determined with the help of external appraisers and internal impairment tests.

2) The service life and residual value are determined in conjunction with the annual testing of possible impairment requirements. A change in the assessment of the residual value of vessels in the Viking Supply Ships business area, effective as of January 1, 2012, reduced depreciation/amortization for the year in the amount of SEK 81 M.

Buildings and land, SEK 000s	Group		Parent Company	
	2012	2011	2012	2011
Costs				
Costs, Jan 1	48,019	48,003	46,744	46,745
Purchases during the year (incl. improvement costs)	—	—	—	-1
Sales/scrapping	-46,542	—	-46,468	—
Translation difference for the year	3	16	—	—
Accumulated costs, Dec. 31	1,480	48,019	276	46,744
Accumulated depreciation according to plan				
Depreciation, Jan 1	-10,443	-9,412	-9,958	-8,966
Translation difference for the year	-12	-8	—	—
Sales/scrapping	10,017	—	9,954	—
Depreciation according to plan for the year	-24	-1,023	—	-992
Accumulated depreciation according to plan, Dec. 31	-462	-10,443	-4	-9,958
Impairment				
Impairment, Jan 1	-16,000	—	-16,000	—
Sales	16,000	—	16,000	—
Impairment for the year	—	-16,000	—	-16,000
Accumulated impairment, Dec. 31	—	-16,000	—	-16,000
Residual value according to plan, Dec. 31	1,018	21,576	272	20,786
– of which, land value	95	5,855	95	5,855

	2012	2011	2012	2011
Taxation values for properties in Sweden				
– buildings	1,195	10,725	1,195	10,725
– land	575	2,054	575	2,054
Total	1,770	12,779	1,770	12,779
Carrying amount for properties in Sweden	272	20,786	272	20,786

	Group		Parent Company	
	2012	2011	2012	2011
Equipment, SEK 000s				
Costs				
Costs, Jan 1	140,856	118,287	28,862	30,339
Purchases during the year (incl. improvement costs)	18,665	11,996	1,167	895
Acquisitions through corporate acquisitions	–	22,299	–	–
Sales/scrapping	-12,495	-12,485	-11,963	-2,372
Translation difference for the year	-801	759	–	–
Accumulated costs, Dec. 31	146,225	140,856	18,066	28,862
Accumulated depreciation according to plan				
Depreciation, Jan 1	-87,995	-77,665	-24,062	-20,336
Acquisitions through corporate acquisitions	–	-7,251	–	–
Sales/scrapping	11,051	20,221	10,763	1,300
Translation difference for the year	556	-670	–	–
Depreciation according to plan for the year	-20,717	-22,630	-1,946	-5,026
Accumulated depreciation according to plan, Dec. 31	-97,105	-87,995	-15,245	-24,062
Residual value according to plan, Dec. 31³⁾	49,120	52,861	2,821	4,800

3) The item "Equipment" includes leasing objects held by the Group in accordance with financial leasing contracts in the following amounts:

	Group		Parent Company	
	2012	2011	2012	2011
Equipment, financial leasing, SEK 000s				
Costs				
Costs, Jan 1	63,507	68,008	–	–
Acquisitions during the year through corporate acquisitions	–	8,420	–	–
Concluded leasing agreements	–	-12,921	–	–
Accumulated costs, Dec. 31	63,507	63,507	–	–
Accumulated depreciation according to plan				
Depreciation, Jan 1	-40,787	-42,470	–	–
Acquisitions during the year through corporate acquisitions	–	-5,502	–	–
Concluded leasing agreements	–	12,374	–	–
Depreciation according to plan for the year	-5,231	-5,189	–	–
Accumulated depreciation according to plan, Dec. 31	-46,018	-40,787	–	–
Residual value according to plan, Dec. 31	17,489	22,720	–	–

Refer also to Note 30 Commitments.

	Group		Parent Company	
	2012	2011	2012	2011
Construction in progress and advances for tangible fixed assets, SEK 000s				
Costs				
Costs, Jan 1	280,177	644,288	–	8,393
Acquisitions during the year (incl. improvement costs) ⁴⁾	–	804,457	–	1,176
Acquisitions through corporate acquisitions	–	6,283	–	–
Reclassifications	-280,177	-1,174,756	–	–
Divestments	–	-2,122	–	-9,569
Translation difference for the year	–	2,028	–	–
Accumulated costs, Dec. 31	–	280,177	–	–
Residual value according to plan, Dec. 31	–	280,177	–	–

4) The amount includes capitalized financial expense totaling SEK 0 M (62). The interest rate on new-build credit was 0% (4.95) during the year.

Note 10, cont.

	Group		Parent Company	
	2012	2011	2012	2011
Goodwill, SEK 000s				
Costs				
Costs, Jan 1	60,596	2,348	8,278	8,278
Acquisitions during the year	—	58,137	—	—
Translation difference for the year	—	111	—	—
Accumulated costs, Dec. 31	60,596	60,596	8,278	8,278
Accumulated impairment				
Impairment, Jan 1	-58,137	—	-8,278	-8,278
Impairment for the year	—	-58,137	—	—
Accumulated impairment, Dec. 31	-58,137	-58,137	-8,278	-8,278
Carrying amount, Dec. 31	2,459	2,459	—	—

	Group		Parent Company	
	2012	2011	2012	2011
Brands, SEK 000s				
Costs				
Costs, Jan 1	7,015	7,015	—	—
Residual value according to plan, Dec. 31	7,015	7,015	—	—

	Group		Parent Company	
	2012	2011	2012	2011
Other intangible assets, SEK 000s				
Costs				
Costs, Jan 1	24,556	10,543	5,513	6,938
Acquisitions during the year	24,162	8,555	24,162	154
Acquisitions through corporate acquisitions	—	8,838	—	—
Sales/scraping	-2,000	-3,605	-2,000	-1,579
Translation difference for the year	-165	225	-165	—
Accumulated costs, Dec. 31	46,553	24,556	27,510	5,513
Accumulated depreciation according to plan				
Depreciation, Jan 1	-14,468	-7,480	-5,504	-5,138
Acquisitions through corporate acquisitions	—	-2,574	—	—
Sales/scraping	2,000	466	2,000	466
Translation difference for the year	-1,709	29	—	—
Depreciation according to plan for the year	-2,105	-4,909	-809	-832
Accumulated depreciation according to plan, Dec. 31	-16,282	-14,468	-4,313	-5,504
Impairment				
Impairment, Jan 1	-5,625	—	—	—
Impairment for the year	—	-5,625	—	—
Accumulated impairment, Dec. 31	-5,625	-5,625	—	—
Residual value according to plan, Dec. 31	24,646	4,463	23,197	9

Group: The value comprises capitalized software, traffic systems and customer contracts in the Industrial Shipping business area.

Parent Company: The amount comprises capitalized software and customer contracts.

NOTE 11 Profit from participations in associated companies

SEK 000s	Group		Parent Company	
	2012	2011	2012	2011
Share of profits from other associated companies ¹⁾	597	-451	-854	-14,915
Total	597	-451	-854	-14,915

1) Share of profits in the Parent Company for 2012 and 2011 pertains to equity income from Partrederiet för Odin Viking DA. Share of profits in the Group for 2012 and 2011 pertains to earnings from Östersjöfrakt AB.

NOTE 12 Profit from participations in Group companies

SEK 000s	Group		Parent Company	
	2012	2011	2012	2011
Dividend	—	—	1,485	1,376,857
Group contributions	—	—	128,100	214,636
Impairment of shareholdings in Group companies	—	—	-203,300	-433,280
Capital gain/loss from sales of subsidiaries	—	—	-29,850	269,971
Total	—	—	-103,565	1,428,184

NOTE 13 Financial revenues

SEK 000s	Group		Parent Company	
	2012	2011	2012	2011
Interest revenue	6,826	7,857	339	499
Interest revenue from Group companies	—	—	31,364	39,426
Dividends from listed shares	1,367	—	1,367	—
Exchange-rate differences	27,985	12,817	—	14,602
Total	36,178	20,674	33,070	54,527

NOTE 14 Financial expenses

SEK 000s	Group		Parent Company	
	2012	2011	2012	2011
Interest expenses	245,384	138,705	4,882	10,629
Interest expenses paid to Group companies	—	—	31,391	57,764
Exchange-rate differences	—	—	15,436	—
Capital loss from the sale of listed securities	2,912	—	2,912	—
Other financial expenses	—	—	303	1,246
Total	248,296	138,705	54,924	69,639

NOTE 15 Taxes

SEK 000s	Group		Parent Company	
	2012	2011	2012	2011
Tax in income statement				
– Current tax	-1,422	-17,919	—	—
– Deferred tax	-35,868	49,717	-66,997	-8,454
Total	-37,290	31,798	-66,997	-8,454

	Group				Parent Company			
	2012		2011		2012		2011	
	TSEK	%	TSEK	%	TSEK	%	TSEK	%
Difference between recognized tax expense and tax expense based on the current tax rate								
Recognized profit/loss before tax	-355,433	—	-466,346	—	-211,002	—	1,224,545	—
Tax at current Swedish tax rate, 26.3%	93,479	26	122,649	26	55,494	26	-322,055	-26
– Effect of change in Swedish tax rate ¹⁾	-12,715	-4	—	—	-10,615	-5	—	—
– Difference in tax rate in countries in which operations are conducted	-2,573	-1	-1,080	-0	—	—	—	—
– Tonnage-tax based operations	-60,267	-17	-32,917	-7	—	—	—	—
– Effect of recognizing in functional currency	-1,588	-0	2,956	1	—	—	—	—
– Effect of non-taxable revenue	3,245	1	1,496	0	29,880	14	432,969	35
– Effect of non-deductible expenses	-200	-0	-224	-0	-84,527	-40	-118,246	-10
– Effect of non-deductible impairment of goodwill	—	—	-15,290	-3	—	—	—	—
– Effect of taxable income ²⁾	-7,391	-2	-44,120	-9	—	—	—	—
– Change in value of pension commitments	-3,170	-1	-1,270	-0	-2,908	-1	-1,027	-0
– Deficit for tax receivable not recognized	-91,407	-26	-2,104	-0	-69,509	-33	—	—
– Change in the assessment of temporary differences in vessels ³⁾	30,346	9	—	—	12,555	6	—	—
– Adjustment of preceding year's tax	7,219	2	-521	-0	2,633	1	-253	-0
– Other	7,732	2	2,223	-1	—	—	158	0
Tax expense	-37,290	-10	31,798	7	-66,997	-32	-8,454	-1

Note 15, cont.

SEK 000s	Group					
	2012			2011		
	Before tax	Tax	After tax	Before tax	Tax	After tax
Tax attributable to other comprehensive income						
Change in hedging provision	-304	113	-191	-29,055	4,295	-24,760
Change in translation provision	4,725	—	4,725	13,272	—	13,272
	4,421	113	4,534	-15,783	4,295	-11,488

SEK 000s	Group		Parent Company	
	2012	2011	2012	2011
	Deferred tax assets			
– Pension commitments considering time of deductibility	9,366	12,536	9,182	12,090
– Financial instruments, measurement at market value	329	34	—	—
– Loss carryforwards	71,265	149,124	54,309	130,952
	80,960	161,694	63,491	143,042
Offsetting of tax receivables and tax liabilities in the same country of operation	-6,543	-56,117	—	-12,555
Deferred long-term tax receivables in the balance sheet	74,417	105,577	63,491	130,487
Deferred tax liabilities				
– Tangible fixed assets, temporary differences ⁴⁾	-6,542	-56,117	—	-12,555
– Other liabilities considering time of deductibility	-3,966	-9,739	—	—
	-10,508	-65,856	—	-12,555
Offsetting of tax receivables and tax liabilities in the same country of operation	6,543	56,117	—	12,555
Deferred long-term tax liability in the balance sheet	-3,965	-9,739	—	—
Net deferred tax receivable/(tax liability)⁵⁾	70,452	95,838	63,491	130,487

1) In November 2012, the Swedish Parliament reached a decision on reducing the corporate tax from 26.3% to 22.0% as of January 1, 2013. As a result of the reduction, the Group's deferred tax liabilities and assets attributable to the Swedish units were lower at December 31, 2012.

2) In 2012 and 2011, vessels were transferred within the Group, which gave rise to taxable capital gains. The effects of the capital gains have been eliminated in the consolidated financial statements.

3) Due to a change in the assessment of a temporary difference between the taxable value and the carrying amount regarding the Odin Viking vessel that was divested in 2012, previously recognized tax liabilities have been reversed.

4) Temporary differences – due to the tax-related recognition of depreciation/amortization and impairment.

5) The deferred tax asset/tax liability is recognized net in each country of operation since offsetting rights are deemed to exist. The loss carryforwards in the Group for Swedish units amount to SEK 745 M (457) net after deduction for untaxed reserves, of which SEK 302 M (354) was capitalized. Loss carryforwards in the Parent Company amounted to SEK 511 M, of which SEK 247 M (498) was capitalized. Under Swedish tax law, there is no time limit on the exercising of loss carryforwards.

Temporary differences regarding investments in subsidiaries were not recognized, since capital gains/losses are not taxable in accordance with the applicable tax legislation.

Deferred tax assets are recognized only insofar as it is probable that the amounts could be utilized against future taxable surpluses.

NOTE 16 Earnings per share

SEK	Group	
	2012	2011
Weighted average number of shares excluding shares in treasury	110,902,700	57,798,159
Bonus-issue element ¹⁾	—	8,447,758
Total	110,902,700	66,245,917

Earnings attributable to the Parent Company's shareholders (SEK):	Group	
	2012	2011
Total	-391,611,703	-429,936,000

SEK	Group	
	2012	2011
Earnings per share attributable to the Parent Company's shareholders	-3.53	-7.44
Bonus-issue element ¹⁾	—	0.95
Total	-3.53	-6.49

1) In a new share issue with preferential rights for old shareholders, where the issue price is lower than the share's fair value, a so-called bonus-issue element arises, which impacts the calculation of earnings per share for the current period, and periods prior to the new issue. The bonus-issue element in the new share issue represents the value that the company's shareholders are deprived of through a discount price on the share.

In the Group, there are no equity instruments that can result in dilution effects.

NOTE 17 Participations in Group companies, associated companies and joint ventures

	Holding				Holding value			
	Corp. Reg. No.	Registered office	No. of shares/participations	% of share capital	Carrying amount Dec. 31, 2012, SEK 000s	Carrying amount Dec. 31, 2011, SEK 000s	Share in equity Dec. 31, 2012, SEK 000s	Share in equity Dec. 31, 2011, SEK 000s
Subsidiaries owned by Parent Company³⁾								
VSS Specialtonnage AB ^{2,3)}	556074-5431	Gothenburg	—	—	—	1,360,910		
Transatlantic Shipping AB	556208-0373	Gothenburg	2,118,115	100	213,000	214,263		
Transatlantic European Services AB	556520-6504	Västerås	1,000	100	18,021	18,021		
Transatlantic Administration AB	556662-6866	Skärhamn	1,000	100	2,400	1,400		
Transatlantic Administration (2) AB	556550-2159	Skärhamn	1,000	100	200	257		
SOIC Shipmanagement AB ⁴⁾	556803-0372	Skärhamn	—	—	—	51		
Transatlantic Short Sea Bulk AB ⁵⁾	556777-2180	Gothenburg	166,667	100	45,352	10,883		
TransAtlantic AB ⁶⁾	556901-2858	Gothenburg	1,000	100	50	—		
Viking Supply Ships A/S	33369794	Copenhagen	5,000	100	2,338,802	1,901,295		
Partrederiet Odin Viking DA ⁷⁾	989573152	Kristiansand	—	—	—	11,326		
Transatlantic Nederland BV		Rotterdam	10	100	8,620	32,402		
TRS Transatlantic Shipping GmbH	HRB110034	Hamburg	—	100	27,042	27,042		
Transatlantic Shipping LTD		Gibraltar	—	100	27	27		
Transatlantic Shipping (2) LTD		Gibraltar	—	100	32	32		
Transatlantic Ship Management LTD		Gibraltar	—	100	26	26		
Transhawk LTD		Gibraltar	—	100	5,000	4,072		
Gorthon International Shipping LTD ⁸⁾		Bermuda	—	—	—	84		
Gorthon Shipping Inc.		Canada	100	100	1	1		
OY Transatlantic Services AB	1735038-1	Helsinki	100	100	76	76		
Transatlantic LLC ²⁾	1107746094060	Moscow	—	100	—	34		
Total					2,658,649	3,582,202		
Other Group companies								
Percy Tham i Oxelösund AB	556022-4908	Oxelösund	1,000	100				
TRVI Offshore & Icebreaking AB	556710-9003	Skärhamn	2,991,000	100				
TRVI Offshore & Icebreaking 3 AB	556733-1102	Skärhamn	1,000	100				
TRVI Offshore & Icebreaking 4 AB	556733-1094	Skärhamn	1,000	100				
Viking Supply Ships AB ⁹⁾	556858-2463	Gothenburg	1,000	100				
Viking Supply Ships Crewing AB ¹⁰⁾	556426-8646	Gothenburg	1,000	100				
Viking Icebreaker Management AB ¹¹⁾	556679-1454	Gothenburg	1,000	100				
VSS Specialtonnage AB ^{2,3)}	556074-5431	Gothenburg	20,000	100				
Arctic Ice Management AB	556807-0972	Gothenburg	99	100				
Österströms Rederi AB	556073-3767	Norrköping	15,000	100				
Österströms Logistics AB	556320-7215	Valdemarsvik	1,000	100				
Österströms Nordic AB	556284-6740	Norrköping	5,000	100				
Västerviks Logistik och Industri AB	556598-0454	Västervik	10,000	100				
Rederi AB Nordship	556309-9141	Norrköping	500	100				
Transatlantic Crewing AS ⁶⁾	999177484	Oslo	300	100				
Viking Icebreaking & Offshore AS ¹²⁾	979 437 943	Kristiansand	1,100	100				
Viking Supply Ships Management AS ¹³⁾	981240030	Sarpsborg	50	100				
Viking Spesialtonnasje AS ¹⁴⁾	987069295	Oslo	100	100				
Viking Supply Ships Crewing ApS	33775199	Copenhagen	800	100				
Viking Supply Ships 3 ApS	33775172	Copenhagen	800	100				
Viking Supply Ships 4 ApS	33859082	Copenhagen	800	100				
Viking Supply Ships 5 ApS ⁶⁾	34471800	Copenhagen	800	100				
Viking Supply Ships Ltd ¹⁵⁾	SC303430	Aberdeen, UK	7,900,001	100				
SBS Aberdeen Ltd	SC250818	Aberdeen, UK	30,001	100				
Stoneywood Crewing Services Ltd	SC351608	Aberdeen, UK	1	100				
Bankhead Management Ltd	43805	Guernsey, UK	2	100				
SBSL (Holdings) Ltd	SC180512	Aberdeen, UK	76,924	100				
SBS Marine Ltd	SC202464	Aberdeen, UK	1,000	100				
Transatlantic UK Ltd	3384716	Goole, UK	10,000	100				
Österström UK Ltd		Hull, UK	100	100				
Paltrans Cargo Services Ltd	2547016	Goole, UK	100	100				
Nordon Shipping Company B.V.		Rotterdam	35	100				

Note 17, cont.

Corp. Reg. No.	Holding				Holding value			
	Registered office	No. of shares/participations	% of share capital	Carrying amount Dec. 31, 2012, SEK 000s	Carrying amount Dec. 31, 2011, SEK 000s	Share in equity Dec. 31, 2012, SEK 000s	Share in equity Dec. 31, 2011, SEK 000s	
Other Group companies								
	Rotterdam	35	100					
	Rotterdam	35	100					
34119948	Zuiddorpe	200	100					
20088567	Zuiddorpe	400	100					
34088147	Zuiddorpe	400	100					
34088150	Zuiddorpe	48	100					
12061348	Zuiddorpe	18,000	100					
24145899	Zuiddorpe	35	100					
34119949	Zuiddorpe	200	100					
20070758	Zuiddorpe	400	100					
34149137	Zuiddorpe	40	100					
24138471	Zuiddorpe	300	100					
HRA1211	Hörsten	—	72					
HRA1215	Hörsten	—	66					
HRA5055	Hörsten	—	67					
1931010-50	Finland	100	100					
	Latvia	10,000	100					
	Estonia	196	98					
	Poland	100	100					
	Malta	60	60					
Consolidated value of associated companies								
Östersjöfrakt AB ⁷⁾	556393-0709	Norrköping	200	20				
MS Agila Verwaltungs GmbH	HRB7664	Hörsten	—	49	153	153	153	
Total					153	153	153	

1) The Parent Company in the Group is Rederi AB Transatlantic, 556161-0113, with its registered office in Gothenburg.

2) The company was acquired/transferred within the Group in 2012 in conjunction with the formation of the Viking Supply Ships Group.

3) In 2012, the company changed its name from Transatlantic Specialtonnage AB to VSS Specialtonnage AB.

4) In 2012, 46% of the shares were divested, after which the remaining 5% holding is recognized in the balance sheet as Financial assets available for sale.

5) In 2012, the company changed its name from Österströms International AB to Transatlantic Short Sea Bulk AB.

6) The company was formed in 2012.

7) The company was acquired/transferred within the Group in 2012 in conjunction with the formation of the Viking Supply Ships Group, after which it was discontinued.

8) The company was discontinued in 2012.

9) In 2012, the company changed its name from Trans Viking Offshore AB to Viking Supply Ships AB.

10) In 2012, the company changed its name from Transatlantic Crewing AB to Viking Supply Ships Crewing AB.

11) In 2012, the company changed its name from Transatlantic Icebreaker Management AB to Viking Icebreaker Management AB.

12) In 2012, the company changed its name from Trans Viking Icebreaking & Offshore AS to Viking Icebreaking & Offshore AS.

13) In 2012, the company changed its name from Trans Viking Management AS to Viking Supply Ships Management AS.

14) In 2012, the company changed its name from Transatlantic Spesialtonnasje AS to Viking Spesialtonnasje AS.

15) In 2012, the company changed its name from SBS Marine (Holdings) Ltd to Viking Supply Ships Ltd.

NOTE 18 Other long-term receivables

SEK 000s	Group		Parent Company	
	2012	2011	2012	2011
Value, Jan 1	65,885	29,907	35,688	24,886
Acquisitions during the year	65,631	41,520	1,221	13,840
Divestments during the year	-2,070	-5,542	-15,350	-3,038
Value, Dec 31	129,446	65,885	21,559	35,688

Largest individual items consist of:

SEK 000s	Group		Parent Company	
	2012	2011	2012	2011
Endowment insurances	20,344	22,414	19,957	21,467
Blocked bank funds	71,500	41,520	—	13,840
Seller reversal, Odin Viking	35,100	—	—	—
Other	2,502	1,951	1,602	381
Total	129,446	65,885	21,559	35,688

Refer also to Note 32 Financial risk management and derivative instruments.

NOTE 19 Inventories

Inventories comprise bunkers, lubricating oil and load-handling equipment.

NOTE 20 Accounts receivable

The carrying amount for accounts receivable is classified as follows:

SEK 000s	Group		Parent Company	
	2012	2011	2012	2011
Invoiced receivables	220,837	336,491	47,705	77,547
Provision for doubtful receivables	-6,523	-763	-5,781	-21
Total	214,314	335,728	41,924	77,526

The carrying amount for accounts receivable corresponds to the fair value since the discount effect is negligible. Two of the Group's companies entered into a factoring agreement with a total limit of SEK 55 M.

The provision for doubtful receivables changed as follows:

SEK 000s	Group		Parent Company	
	2012	2011	2012	2011
Value, Jan 1	763	41	21	—
Provision for doubtful receivables	5,795	763	5,795	763
Reversed provisions	-35	-41	-35	-742
Value, Dec 31	6,523	763	5,781	21

Confirmed losses on accounts receivable amounted to SEK 7,595,000 (2,274,000). In addition to the recognized provisions, only minor credit risks are deemed to occur in the remaining accounts receivable. The maximum exposure for credit risks on the closing date is the carrying amount for each category of receivables mentioned above.

Age analysis:

SEK 000s	Group		Parent Company	
	2012	2011	2012	2011
Not due	143,136	252,625	32,139	63,799
Due date exceeded by up to 30 days	59,685	68,208	9,428	11,090
Due date exceeded by 31–60 days	3,444	4,858	357	464
Due date exceeded by 61 days or more	8,049	10,037	—	2,173
Total	214,314	335,728	41,924	77,526

NOTE 21 Prepaid expenses and accrued income

SEK 000s	Group		Parent Company	
	2012	2011	2012	2011
Prepaid personnel expenses	12,001	13,838	4,863	12,768
Accrued travel revenue	76,613	52,087	35,251	17,852
Accrued interest revenue	—	10	—	—
Prepaid docking fees for chartered tonnage	—	412	—	—
Other prepaid expenses and accrued income	60,088	67,666	2,781	16,419
Total	148,702	134,013	42,895	47,039

NOTE 22 Cash-flow statement

In cases in which loan financing of investment projects is paid directly to the shipyard/supplier and does not pass through the company/Group's cash balance, the investment amount is recognized in the cash-flow statement as a net amount after deductions for financing. The recognized investment fee therefore comprises the company's cash payment.

The acquisition/divestment of shares in subsidiaries is recognized in the consolidated financial statements as paid/received purchase consideration less the acquired/divested subsidiary's cash and cash equivalents on the date of acquisition/divestment.

SEK 000s	Group		Parent Company	
	2012	2011	2012	2011
Cash and cash equivalents				
Cash and bank balances, Jan 1	589,368	636,893	201,584	33,150
Changes in cash and bank balances for the year	-157,131	-47,525	-117,904	168,434
Cash and cash equivalents, Dec 31	432,237	589,368	83,680	201,584
Less blocked/pledged cash and cash equivalents	-71,500	-41,520	—	—
Unappropriated cash and cash equivalents¹⁾, Dec 31	360,737	547,848	83,680	201,584

1) The Group's cash and cash equivalents include advance from external clients totaling SEK 20 M to be utilized in external ship management operations. In a loan agreement, the Group has committed to, at any time, ensure that cash and cash equivalents do not fall below the highest amount of either 5% of the Group's interest-bearing liabilities or corresponding NOK 150 M, less the Group's unutilized credit facilities.

NOTE 23 Share capital

SEK	Share capital					
	2012			2011		
	Series A shares	Series B shares	Total	Series A shares	Series B shares	Total
Share capital, Jan 1	72,718,420	1,036,308,580	1,109,027,000	36,359,210	518,154,290	554,513,500
New share issue ¹⁾	—	—	—	36,359,210	518,154,290	554,513,500
Reduction to unrestricted reserve ²⁾	-65,446,578	-932,677,722	-998,124,300	—	—	—
Share capital, Dec 31	7,271,842	103,630,858	110,902,700	72,718,420	1,036,308,580	1,109,027,000

	Number of shares					
	2012			2011		
	Series A shares	Series B shares	Total	Series A shares	Series B shares	Total
Number of shares, Jan 1	7,271,842	103,630,858	110,902,700	3,635,921	51,815,429	55,451,350
New share issue ¹⁾	—	—	—	3,635,921	51,815,429	55,451,350
Number of shares, Dec 31	7,271,842	103,630,858	110,902,700	7,271,842	103,630,858	110,902,700

	Number of votes					
	2012			2011		
	Series A shares	Series B shares	Total	Series A shares	Series B shares	Total
Number of votes	72,718,420	103,630,858	176,349,278	72,718,420	103,630,858	176,349,278
Total number of votes	72,718,420	103,630,858	176,349,278	72,718,420	103,630,858	176,349,278

The quotient value is SEK 1 per share. The Group has no option programs.

1) In December 2011, a new share issue was conducted with preferential rights for existing shareholders at a 1:1 ratio. The subscription price was equivalent to the quotient value, meaning SEK 10 per share.

2) The reduction of share capital was registered in January 2012 through a decrease of the shares' quotient value from SEK 10 to SEK 1 per share.

NOTE 24 Dividend per share

No dividends were paid during 2012 or 2011. At the Annual General Meeting on April 24, 2013, it will be proposed that no dividend be paid for the 2012 financial year.

NOTE 25 Pension provisions

Remuneration to employees following the completion of their employment mainly takes the form of ongoing payments to independent authorities or insurance companies, which subsequently assume responsibility for the commitments to employees. These types of arrangements are called defined-contribution plans.

The commitment for old-age pensions and survivor pensions for employees in Sweden is covered through insurance with Alecta. According to a statement from the Emerging Issues Task Force of the Swedish Financial Reporting Board, URF 3, this is a defined-benefit multi-employer scheme. For the 2012 financial year, the Group did not have access to such information that makes it possible to report this plan as a defined-benefit scheme. The pension scheme in accordance with ITP, which is safeguarded through insurance with Alecta, is therefore reported as a defined-contribution scheme. Alecta's surplus can be distributed to the insurers and/or the insured. At the end of 2012, Alecta's surplus in the form of the

collective consolidation level was 130% (113). The collective consolidation level comprises the market value of Alecta's assets as a percentage of the insurance commitment calculated in accordance with Alecta's actuarial calculation assumption, which does not coincide with IAS 19.

Defined-benefit plans are characterized by the fact that the Group retains its commitment until the pension has been paid. The costs and provisions for defined-benefit plans are assessed through actuarial calculations with the purpose of determining the current value of the commitment. Defined-benefit plans exist only in Sweden.

Commitments are secured through pension insurances with investments primarily in interest funds and equity funds.

The tables below provide data on the Group's defined-benefit plans, the assumptions used in the calculations, the expenses recognized and the values of the commitments and insurance plan assets.

SEK M	Group				
	2012	2011	2010	2009	2008
Multi-year overview					
At December 31					
Current value of defined-benefit obligations	17,356	27,033	30,243	35,079	36,945
Fair value of pension capital	-21,416	-31,149	-35,124	-38,241	-42,626
Unrecognized actuarial (losses)/gains	1,919	1,617	3,183	1,881	4,979
Payroll tax liability	8,311	9,306	10,249	10,790	10,268
Net liability	6,170	6,807	8,551	9,509	9,566

SEK 000s	Group		Parent Company	
	2012	2011	2012	2011
Assumptions applied in actuarial calculations				
Sweden				
Average discount rate, %	3.00%	3.40%	3.00%	3.40%
Forecast return on pension capital, %	3.00%	5.10%	3.00%	5.10%
Estimated long-term pay increase, %	3.00%	3.00%	3.00%	3.00%
Estimated long-term inflation, %	2.00%	2.00%	2.00%	2.00%

Assumptions regarding mortality are the same as those specified by the Swedish Financial Supervisory Authority (FFFS 2007:31).

Pension expenses for the year

Cost of benefits earned during the year	1,536	1,309	11	10
Interest expense	945	1,158	552	697
Depreciation of actuarial gains/losses	175	-161	-98	-161
Adjustment costs	-2	40	0	0
Forecast return on pension capital	-1,534	-1,865	-793	-991
Expenses for the year pertaining to defined-benefit pension plans	1,120	481	-328	-445
Expenses for the year pertaining to defined-contribution pension plans	41,087	50,914	21,134	31,638
Payroll tax expense for the year	7,656	15,283	6,464	9,897
Pension expense for the year included in personnel expenses	49,863	66,678	27,270	41,090

Actual return on pension capital	-1.2%	2.0%	-1.4%	1.7%
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All items are recognized as personnel expenses. Of the costs for defined-contribution plans, SEK 23,545,000 (36,175,000) comprises premiums to Alecta.

Changes in fair value of pension capital

Pension capital, Jan. 1	31,149	35,124	17,044	19,738
Expected return	1,534	1,865	793	991
Adjusted liability/cost for plan adjusted during the year	-6,996	-2,488	—	—
Withdrawal	-3,184	-3,413	-2,797	-3,023
Premiums/deposits	761	1,282	0	18
Actuarial gains/(losses)	-1,848	-1,221	-1,004	-680
Pension capital, Dec. 31	21,416	31,149	14,036	17,044

These assets consist primarily of funds investing in shares, bonds and money market instruments.

Changes in defined-benefit pension obligation

Obligation, Jan. 1	27,033	30,243	16,239	18,587
Cost of benefits earned during the year	1,536	1,309	11	10
Adjusted liability/cost for plan adjusted during the year	-6,841	-2,429	0	0
Interest expense	945	1,158	552	697
Pension payments	-3,184	-3,413	-2,797	-3,023
Actuarial (gains)/losses	-2,133	165	-719	-32
Obligation, Dec. 31	17,356	27,033	13,286	16,239

Note 25 cont.

SEK 000s	Group		Parent Company	
	2012	2011	2012	2011
Changes in actuarial losses/gains				
Unrecognized actuarial (losses)/gains, Jan 1	1,617	3,183	2,293	3,102
10% of the largest Obligation/Pension capital amount	3,115	3,512	1,704	1,974
Unrecognized actuarial (losses)/gains outside the corridor	—	—	—	1,129
Depreciation of actuarial losses/(gains)	175	-161	-98	-161
Adjustment of actuarial losses/(gains)	-158	-19	—	—
Actuarial gains/(losses) on obligation	2,133	-165	719	32
Actuarial gains/(losses) on pension capital	-1,848	-1,221	-1,004	-680
Unrecognized actuarial (losses)/gains, Dec. 31	1,919	1,617	1,910	2,293
Change in payroll tax liability				
Liability in balance sheet, Jan. 1	9,306	10,249	8,975	9,737
Change in payroll tax liability for the year	-995	-943	-826	-762
Payroll tax liability, Dec. 31	8,311	9,306	8,149	8,975
Liability in balance sheet				
Pension obligation	17,356	27,033	13,286	16,239
Unrecognized actuarial (losses)/gains	1,919	1,617	1,910	2,293
Payroll tax liability	8,311	9,306	8,149	8,975
Liability in balance sheet, Dec. 31	27,586	37,956	23,345	27,507
Net liability in balance sheet				
Pension capital	-21,416	-31,149	-14,036	-17,044
Pension obligation	17,356	27,033	13,286	16,239
Unrecognized actuarial (losses)/gains	1,919	1,617	1,910	2,293
Payroll tax liability	8,311	9,306	8,149	8,975
Net liability, Dec. 31	6,171	6,807	9,309	10,463
Reconciliation of changes in net liability				
Liability in balance sheet, Jan. 1	6,807	8,551	10,463	11,688
Pension expenses for the year	1,120	481	-328	-445
Payment to capital under management	-761	-1,282	0	-18
Withdrawal from capital under management	3,184	3,413	2,797	3,023
Pension payments	-3,184	-3,413	-2,797	-3,023
Change in payroll-tax liability for the year	-995	-943	-826	-762
Net liability, Dec. 31	6,171	6,807	9,309	10,463

NOTE 26 Liabilities

Group

The TransAtlantic Group's total interest-bearing liabilities amounted to SEK 2,983 M (2,983) at the balance-sheet rate. In addition, there were non-interest-bearing liabilities totaling SEK 659 M (807). Parts of the interest-bearing liabilities are associated with so-called covenants, according to which the Group must fulfill certain key data.¹⁾

Parent Company

The Parent Company's total interest-bearing liabilities amounted to SEK 583 M (1,232). In addition, there were non-interest-bearing liabilities and provisions totaling SEK 279 M (411).

Total interest-bearing liabilities, distributed by currency

TSEK	Group	
	2012-12-31	2011-12-31
USD	384,209	462,291
EUR	156,837	864,921
NOK	2,390,175	1,584,512
SEK	52,220	71,034
Total	2,983,441	2,982,758

Total contractual commitments

SEK 000s	Group		
	2013	2014-2017	After 2017
Loans (excluding liabilities pertaining to financial leasing)	449,478	2,315,801	749,843
Liabilities pertaining to financial leasing	8,700	2,083	—
Derivative instruments	1,751	42,943	—
Accounts payable	126,238	—	—
Other liabilities	58,177	—	—
	644,344	2,360,827	749,843

SEK 000s	Parent Company		
	2013	2014-2017	After 2017
Liabilities to credit institutions	19,631	22,674	—
Liabilities to Group companies	95,153	—	542,262
Accounts payable	41,077	—	—
Other liabilities	636	—	—
	156,497	22,674	542,262

Group

The Parent Company has credit facilities in the form of unutilized overdraft facilities totaling SEK 93 M (0). Utilized overdraft facilities at the balance-sheet date totaled SEK 13 M (10).

Parent Company

The Parent Company has credit facilities in the form of unutilized overdraft facilities totaling SEK 70 M (24). Utilized overdraft facilities at the balance date totaled SEK 0 M (0).

1) The Group's liquidity for 2013 is strained and exposed to risks. Accordingly, TransAtlantic has defined and taken specific initiatives to strengthen the company's profitability and liquidity. The initiatives are aimed at increasing revenues, reducing costs, improving the company's working capital, actively managing its liquidity and adapting its vessel fleet. The company also continues to work proactively with lending banks to ensure a stable short and long-term financing, including possible waivers for 2013 and the years to come. TransAtlantic has secured waivers from the appropriate banks for the fourth quarter of 2012 in conjunction with the Group failing to fulfill some of the loan agreements covenants on financial key figures.

NOTE 27 Accrued expenses and deferred income

SEK 000s	Group		Parent Company	
	2012	2011	2012	2011
Accrued personnel costs	92,215	77,601	28,941	46,047
Accrued interest expenses	25,745	38,624	1,653	13,602
Accrued travel expenses	87,344	100,400	29,149	20,303
Accrued other expenses	160,813	164,030	53,021	50,231
Total	366,117	380,655	112,764	130,183

NOTE 28 Pledged assets

SEK 000s	Group		Parent Company	
	2012	2011	2012	2011
Current and long-term ship loans and share in current and long-term liabilities of shipping consortiums				
– Vessel mortgages	2,427,365	3,196,024	—	—
– Vessels held with the right of option of ownership	1,033,754	564,715	—	—
– New building contracts	—	280,177	—	—
Current and long-term other liabilities to credit institutions				
– Fixed assets held through financial leasing agreements	16,679	22,721	—	—
– chattel mortgages	31,945	86,030	—	—
– shares in subsidiaries	1,848,870	2,833,350	2,338,802	3,262,205
– collateral in receivables	11,169	32,580	—	—
– bank balances	71,500	198,417	—	13,840
Provisions for pensions				
– endowment insurance and pension assets	41,762	53,564	33,993	38,511
Total	5,483,044	7,267,578	2,372,795	3,314,556

NOTE 29 Contingent liabilities

SEK 000s	Group		Parent Company	
	2012	2011	2012	2011
Sureties	–	–	2,358,766	2,146,550
– of which, for subsidiaries	–	–	2,358,766	2,146,550
Right of redress in sold accounts receivable	–	–	1,631	–

The Parent Company has provided a guarantee regarding a subsidiary's completion of time-charter agreements, which also comprise parts of the undertaking of the divested subsidiary Transbulk (valid through 2018). For the latter, there is also a reciprocal guarantee from an external party for an equivalent amount. Transbulk was divested in 2005.

NOTE 30 Commitments**Investment commitments**

The remaining commitment on the closing date amounted to:

SEK M	2012	2011
Vessels	–	278

The preceding year's remaining contractual investment commitments pertained to the new building of the Brage Viking, which was delivered in January 2012.

Leasing commitments

The Group leases vessels, buildings and equipment through leasing agreements.

Operational leasing**Industrial Shipping**

Operational leasing mainly entails the leasing of vessels on a bareboat or T/C basis, for which contract periods and leasing terms are different for each vessel. The largest contract pertains to the leasing of two RoRo/side-port vessels, the TransWood, TransPine and the TransHawk bulk vessel, on a bareboat basis, with a remaining contract period of three years, and leasing of paper-transport vessels TransPaper, TransPulp and TransTimber, which operate on time charter for StoraEnso, for which there is a remaining contract period of about eight years, after which time the Group is entitled to buy the aforementioned vessels at market value. The aforementioned leasing contract is variable with respect to the interest-rate element. The Group has hedged this exposure with interest derivatives.

Linked to these vessels leases are side agreements regarding discounted tax benefits for the lessor. These side agreements are contingent on the Group fulfilling certain covenants. Deviations from these terms do not entail any financial commitments for the Group.

The acquisition of Transatlantic Short Sea Bulk AB (formerly Österströms International AB) in 2011 included contracts regarding the long-term leasing of small bulk vessels. These agreements were renegotiated in 2012, resulting in the reduction of one vessel, which was deducted in the minimum leasing fees listed below. The remaining duration of the contract concerning these seven small bulk vessels is about 14 years, following a renegotiation. The agreements include covenant requirements, which had been met at December 31, 2012.

In addition to the aforementioned long-term leased vessels, the Group also had nine short-term leased small vessels at the balance-sheet date with an average remaining duration of about eight months and eight short-term leased container vessels with an average remaining duration of about six months.

Viking Supply Ships

The acquisition of Viking Supply Ships Ltd. (formerly SBS Marine (Holdings) Ltd.) included contracts regarding the leasing of two Platform Supply Vessels. These contracts are valid through April and August 2014, respectively. The contracts include an option of purchasing these vessels between 2013 and 2014.

In December 2012, a sale-and-leaseback agreement was entered into regarding the AHTS vessel, Odin Viking. The remaining duration of this lease is eight years.

Financial leasing

At year-end 2012, financial leasing comprised only the leasing of containers and equipment used in the Industrial Shipping business area.

Operational leasing revenues

Operational leasing revenues comprise vessels leased on time- and bareboat charter contracts.

At December 31, 2012, the number of vessels leased by the Group was 36 (34 at Dec 31, 2011) and the number of vessels leased to others was 13 (15).

SEK M	2012	2013	2014–2017	After 2017
Leasing expenses				
Operational leasing	558	512	998	776
Of which: – Bareboat charter	228	256	825	776
– T/C	322	250	167	–
– Other	8	6	6	–
Financial leasing	6	6	1	–
– Containers and machinery	6	6	1	–
Leasing revenues				
Operational leasing	1,183	697	1,294	708
– T/C	1,183	697	1,294	708

The above future leasing fees are the Group's nominal minimum fees. Some 8% of the leasing fees paid in 2012 were variable. Some 4% of the total future contractual commitments are variable fees.

In the consolidated balance sheets, the following items are recognized as financial leasing on the closing date:

SEK M	2012	2011
Fixed assets		
<i>Equipment</i>		
– Accumulated cost	63	70
– Accumulated depreciation	–46	–47
Total	17	23
Liabilities pertaining to financial leasing		
– Long-term portion	2	6
– Current portion	9	8
Total	11	14
<i>Provisions, tax liabilities</i>	2	2

See also Note 10.

NOTE 31 Related-party transactions

Through an extended consulting agreement, Kistefos AS made its management services available, for which remuneration of SEK 7 M was paid in the period January-December 2012, which included remuneration for the CEO Henning E. Jensen. In addition, commercial management fees of SEK 4 M were paid to RABT. During the period, a company owned by Kistefos AS was paid SEK 4 M in guarantee fees concerning loans to two of the Group's AHTS vessels.

TransAtlantic also sublets office space from a company owned by Kistefos in Kristiansand. Rent is set on market terms and amounted to NOK 341,000.

Services were also rendered concerning engineering and accounting for Odin Viking in the amount of NOK 238,000.

Securities were sold for about SEK 3 M to Kistefos, based on the current listed prices.

In accordance with a resolution by the General Meeting of Shareholders, MultiDock Cargo Handling AB was divested to Skärgårdshavet AB, in which Percy Österström, the former President of Industrial Shipping, has an ownership holding.

During the year, TransAtlantic extended a leasing agreement concerning a container vessel, TransAlrek, which is owned by a German shipping partnership in which TransAtlantic's Deputy Chairman, Folke Patriksson, has an ownership stake through Enneff Rederi AB. The annual leasing fee was SEK 12 M in 2012. The agreement was reached on market terms and until 2014 with an option for TransAtlantic to extend the agreement for an additional two years.

Vessel operations for three of the Group's Dutch-owned vessels are handled by an external company that is co-owned by Felix Feleus, who is also the Managing Director of TransAtlantic Netherlands BV. Fees for vessel operations are on commercial terms and in 2012 amounted to EUR 115,000 annually for three vessels.

No other significant transactions were conducted during the year.

For remuneration to Board members and senior executives, refer to Note 7.

NOTE 32 Financial risk management and derivative instruments

In its operations, the TransAtlantic Group is exposed to various types of financial risks, such as changes in exchange rates and interest rates, as well as liquidity and credit risks. The Group's goal is to minimize such negative effects in the consolidated income statement and balance sheet.

Risk management is handled by the Group's central finance department on the basis of the finance policy established by the Board of Directors. The policy contains clear instructions on how various financial risks are to be handled, where different types of derivative instruments are key elements in minimizing financial risks. The policy also includes instructions for managing credit- and liquidity risks through financing and loan commitments.

The Group applies hedge accounting in accordance with the regulations included in IAS 39, the content of which is described in Note 1, Derivative instruments.

Credit risks

The Group has a policy for providing credits to customers and other business partners. Credits provided are primarily short-term credits in the form of receivables from customers. Credit risk in cash and cash equivalents is managed by investing the liquidity with major Swedish banks.

Liquidity risks

Liquidity risk is attributable to the event that the Group has an inadequate liquidity reserve. This can lead to difficulties in honoring current payment liabilities in operating activities, planned investments and amortization. The Financial Department continuously prepares liquidity forecasts for the Group that are aimed at foreseeing the Group's liquidity requirement for operating activities, taking into account future investment requirements and amortization. Based on this work, a liquidity reserve is ensured by maintaining bank balances/investments and obtained lines of credit. For information regarding the maturity structure of liabilities, see also Note 26. Surplus liquidity is invested in accordance with the established finance policy.

Currency risks

Currency exposure for assets shall primarily be financed through financing being made in the same currency as the asset. Most of the vessels have such a hedge for 2012. The Parent Company has a number of foreign subsidiaries, whose net assets are exposed to currency-translation risks. These currency positions have not been hedged.

In accordance with the finance policy, currency risks affecting cash flow must primarily be managed by balancing currency flows so that inward and outward flows offset one another. Invoiced net flows can be hedged to a maximum of 100% per currency pair and up to 50% of 12-months' forecast net flows per currency pair. During 2012, in accordance with the policy, a number of hedge contracts were taken out in these currencies on a continuous basis to reduce cash-flow risks during 2013.

As of the reporting date, March 31, 2011, the Group had the following open currency-derivative contracts:

TSEK	Agreement value, SEK M		Futures rates (weighted averages)	
	2012	2011	2012	2011
Currency futures EUR/USD	95	125	1.32	1.29
Currency futures EUR/SEK	92	—	8.67	—

Currency derivatives mature at one to 12 months from the closing date.

If hedging had not been implemented, future earnings would have been SEK 0 M higher if the closing-date exchange rate applied at the time at which the forward agreements were redeemed.

Interest-rate risks

The finance policy states that interest-rate risk must be hedged through financial instruments that limit exposure to raised interest rates. The Group's policy is that the average fixed interest period for the Group's consolidated borrowing must, at any given time, be at

Note 32, cont.

least 180 days and a maximum of three years. A maximum of 25% of the loan should have a fixed interest period of less than 90 days or longer than three years.

Interest-rate terms

The Group uses various kinds of interest-hedging instruments. At the closing date, the Group held the following interest-rate terms:

Hedged underlying loan values for which the Group bears the interest-rate risk (including interest-rate exposed lease commitment):

SEK M	90 days or less	90 days– 3 years	3 years or longer	Total
Total interest-hedged loan values	450	2,697	286	3,434
% of total interest-bearing loan values	13%	79%	8%	100%

Weighted average interest rate for interest-bearing loans amounted to:

%	Group		Parent Company	
	2012	2011	2012	2011
	5.16	4.53	3.3	5.3

With a change in interest rates of 1 percentage point, the Group's interest expense would change by SEK 25 M.

Financial instruments by category

SEK 000s	Accounts receivable and cash and cash equivalents		Derivatives used for hedging purposes		Assets measured at fair value in profit and loss		Financial assets available for sale		Total	
	Dec 31, 2012	Dec 31, 2011	Dec 31, 2012	Dec 31, 2011	Dec 31, 2012	Dec 31, 2011	Dec 31, 2012	Dec 31, 2011	Dec 31, 2012	Dec 31, 2011
Assets in the balance sheet										
Financial assets available for sale ³⁾	—	—	—	—	—	—	2,230	105	2,230	105
Derivative instruments ²⁾	—	—	211	16,373	—	—	—	—	211	16,373
Accounts receivable and other receivables, excl. interim receivables ⁴⁾	292,144	402,192	—	—	—	—	—	—	292,144	402,192
Shares listed on the Oslo Stock Exchange ¹⁾	—	—	—	—	—	13,610	—	—	—	13,610
	292,144	402,192	211	16,373	—	13,610	2,230	105	294,585	432,280

SEK 000s	Liabilities measured at fair value through profit or loss		Derivatives used for hedging purposes		Other financial liabilities		Total			
	Dec 31, 2012	Dec 31, 2011	Dec 31, 2012	Dec 31, 2011	Dec 31, 2012	Dec 31, 2011	Dec 31, 2012	Dec 31, 2011		
Liabilities in the balance sheet										
Borrowing excl. liabilities pertaining to financial leasing ⁴⁾	—	—	—	—	—	—	2,982,332	2,992,759	2,982,332	2,992,759
Liabilities pertaining to financial leasing ⁴⁾	—	—	—	—	—	—	10,470	18,911	10,470	18,911
Derivative instruments ²⁾	—	—	—	—	44,694	27,950	—	—	44,694	27,950
Accounts payable and other liabilities, excl. interim liabilities ⁴⁾	—	—	—	—	—	—	238,557	369,446	238,557	369,446
	—	—	—	—	44,694	27,950	3,231,359	3,381,116	3,276,053	3,409,066

1) Fair value based on listed market values, where financial instruments are traded on an active market (Level 1).

2) Fair values for which there are no listed market values, but instead are based on measurements of discounted cash flows.

Variables in the measurement model, such as exchange rates and interest rates, are derived from market listings when possible (Level 2).

3) Other measurements in which one variable is based on own assessments (Level 3).

4) Recognized at accrued cost.

Goods risks

To minimize cost fluctuations for bunkers, the Group has principally signed customer contracts that entail compensation for the Group in the event of changes in bunkers prices. Only a small proportion of the Group's future bunkers consumption will be exposed to price changes. At the closing date, the Group had no bunkers derivatives.

Fair values derivative instruments

Fair values for derivative instruments on the closing date were as follows:

SEK 000s	Group			
	2012		2011	
	Assets	Liabilities	Assets	Liabilities
Currency forward agreements	211	133	495	390
Interest-rate swap ¹⁾	—	44,561	15,878	27,560
Total	211	44,694	16,373	27,950

1) Hedge accounting is not applied for the Group's interest-hedging instruments. Value changes on these instruments are recognized in consolidated profit and loss, refer also to Note 9.

The Parent Company holds financial instruments corresponding to a fair value of SEK 0 M (0). This value has not been recognized in the Parent Company.

NOTE 33 Acquisitions

In October 2012, the Finnish container line, Merilinja, was taken over through the acquisition of the significant customer contracts. At the same time, the vessel capacity was secured by taking over the time-charter agreements for the vessels that were already part of the operation. Merilinja's operation primarily comprises container feeders from Oulu and Kokkola to Antwerp. No employees followed the acquisition. The acquisition is expected to generate an annual increase in sales of about SEK 100 M. The purchase consideration was EUR 2.8 M, of which EUR 1.5 M was paid in cash in 2012.

NOTE 34 Events after the closing date

The majority owner Kistefos AS conducted a restructuring of the companies through which Kistefos AS owns TransAtlantic. Following this restructuring, Viking Invest AS is the formal owner of the Kistefos Group's capital holding of 62.9% of the shares in TransAtlantic.

In January 2013, Erik Hansen was appointed acting CFO of TransAtlantic.

Viking Supply Ships has proposed a new organizational structure which will centralize all of its support and operational functions to the head office in Copenhagen as of July 1, 2013. Under the proposal, Viking Supply Ships' office in Gothenburg will be closed and the office in Kristiansand will be converted to exclusively being a sales office.

The Swedish Maritime Administration has opted not to extend the charter contracts for the anchor-handling vessels, Tor Viking and Balder Viking, which will thus conclude their assignments after the first quarter of 2014 and 2015.

Viking Supply Ships A/S has entered into a longer-term chartering agreement with a major oil company for one of the shipping company's AHTS icebreaking vessels (the Tor or Balder Viking). The chartering agreement applies for the 2014 and 2015 seasons in the subarctic waterways, with options for 2016 and 2017. The total value of the contract is about USD 36.5 M.

The Board of Directors and the President assure that the consolidated accounts were prepared in accordance with the international accounting standards (IFRS) as adopted by the EU and that they provide a fair view of the Group's financial position and results. The annual report was compiled in accordance with generally accepted accounting standards and provides a fair view of the Parent Company's

financial position and results. The Administration Report for the Group and the Parent Company provides a fair view of the trend for the Group's and the Parent Company's operations, position and earnings and describes significant risks and uncertainties facing the Parent Company and the companies that are included in the Group.

Gothenburg, March 20, 2013

The income statement and balance sheets will be presented to the Annual General Meeting on April 24, 2013 for approval.

Christen Sveaas
Chairman

Folke Patriksson
Deputy Chairman

Håkan Larsson
Board member

Magnus Sonnorp
Board member

Christer Lindgren
Employee representative

Henning E. Jensen
CEO

Our Auditors' Report was submitted on March 22, 2013 and deviated from the standard formulation.

PricewaterhouseCoopers AB

Olof Enerbäck
Authorized Public Accountant

Auditor's report

To the annual meeting of the shareholders of Rederi AB TransAtlantic, corporate identity number 556161-0113

Report on the annual accounts and consolidated accounts

We have audited the annual accounts and consolidated accounts of Rederi AB TransAtlantic (publ) for the year 2012. The annual accounts and consolidated accounts of the company are included in the printed version of this document on pages 18–52.

Responsibilities of the Board of Directors and the President for the annual accounts and consolidated accounts

The Board of Directors and the President are responsible for the preparation and fair presentation of these annual accounts and consolidated accounts in accordance with International Financial Reporting Standards, as adopted by the EU, and the Annual Accounts Act, and for such internal control as the Board of Directors and the President determine is necessary to enable the preparation of annual accounts and consolidated financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's responsibility

Our responsibility is to express an opinion on these annual accounts and consolidated accounts based on our audit. We conducted our audit in accordance with International Standards on Auditing and generally accepted auditing standards in Sweden. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the annual accounts and consolidated accounts are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the annual accounts and consolidated accounts. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the annual accounts and consolidated accounts, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the company's preparation and fair presentation of the annual accounts and consolidated accounts in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the company's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the Board of Directors and the President, as well as evaluating the overall presentation of the annual accounts and consolidated accounts. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinions

In our opinion, the annual accounts have been prepared in accordance with the Annual Accounts Act and present fairly, in all material respects, the financial position of the parent company as of December 31, 2012 and of its financial performance and its cash flows for the year then ended in accordance with the Annual Accounts Act, and the consolidated accounts have been prepared in accordance with the Annual Accounts Act and present fairly, in all material respects, the financial position of the group as of December 31, 2012 and of their financial performance and cash flows in accordance with International Financial Reporting Standards, as adopted by the EU, and the Annual Accounts Act. The statutory administration report is consistent with the other parts of the annual accounts and consolidated accounts.

We therefore recommend that the annual meeting of shareholders adopt the income statement and balance sheet for the parent company and the group.

Disclosure of material significance

Without influencing our opinions above, we want to highlight the Group's liquidity and financing situation.

As described in the annual accounts, the Group reported a highly negative result for the financial year. The Board of Directors' Report also shows that the company's liquidity is strained and waivers were secured for the fourth quarter of 2012 due to a breach of terms in the credit agreement. It also states that the Group continues to foresee risks in 2013 and that various actions will be taken with the aim of strengthening profitability and liquidity, such as securing continued financing.

In our assessment, the activities planned for 2013 must result in specific actions that strengthen profitability and liquidity and secure continued financing in order to ensure the going concern of the Group.

Report on other legal and regulatory requirements

In addition to our audit of the annual accounts and consolidated accounts, we have examined the proposed appropriations of the company's profit or loss and the administration of the Board of Directors and the President of Rederi AB TransAtlantic for the year 2012.

Responsibilities of the Board of Directors and the President

The Board of Directors is responsible for the proposal for appropriations of the company's profit or loss, and the Board of Directors and the President are responsible for administration under the Companies Act.

Auditor's responsibility

Our responsibility is to express an opinion with reasonable assurance on the proposed appropriations of the company's profit or loss and on the administration based on our audit. We conducted the audit in accordance with generally accepted auditing standards in Sweden.

As a basis for our opinion on the Board of Directors' proposed appropriations of the company's profit or loss, we examined the Board of Directors' reasoned statement and a selection of supporting evidence in order to be able to assess whether the proposal is in accordance with the Companies Act.

As a basis for our opinion concerning discharge from liability, in addition to our audit of the annual accounts and consolidated accounts, we examined significant decisions, actions taken and circumstances of the company in order to determine whether any member of the Board of Directors or the President is liable to the company. We also examined whether any member of the Board of Directors or the President is liable to the company. We also examined whether any member of the Board of Directors or the President has, in any other way, acted in contravention of the Companies Act, the Annual Accounts Act or the Articles of Association. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Opinions

We recommend to the annual meeting of shareholders that the loss be dealt with in accordance with the proposal in the statutory administration report and that the members of the Board of Directors and the President be discharged from liability for the financial year.

Gothenburg, March 22, 2013
PricewaterhouseCoopers AB

Olof Enerbäck
Authorized Public Accountant

Weak share-price trend

TransAtlantic's share price declined 46% in 2012 at the same time as the Stockholm Stock Exchange rose 12%. The continued weak earnings trend in the Group during the year had a major impact on the share price.

TransAtlantic's Series B share is listed on the NASDAQ OMX Stockholm on the Small Cap List and is included in the OMX Transport index. At year-end, the share price was SEK 4.90, corresponding to a market capitalization of SEK 543 M (1,015). On the same date, the total shareholders' equity amounted to SEK 2,103 M (2,493), corresponding to SEK 18.96/share (22.50).

Share capital

The total number of shares in TransAtlantic at the end of the year amounted to approximately 110.9 million shares distributed among about 7.3 million Series A shares carrying ten votes each and about 103.6 million Series B shares carrying one vote each.

The share capital declined in 2012 to about 110.9 million and the quotient value is now SEK 1.

Shareholders and shareholder structure

At year-end, the total number of shareholders was 5,346 (5,854), which was a decline compared with 2011. Through subsidiaries, Kistefos AS is the largest owner with 62.9% of the capital and 58.4% of the votes.

Dividend proposal and dividend policy

Based on earnings for the year and the existing investment requirement, the Board of Directors proposes that no dividend be paid for the 2012 financial year. TransAtlantic's target is that the average amount of the

dividend shall be not less than 33% of the annual net profit.

Contacts with shareholders

TransAtlantic's ambition is to maintain a positive dialog with the stock market and to provide information on developments and events concerning its operations. This is done via presentations in conjunction with the quarterly reports and participation at conferences and seminars. The Annual Report, year-end reports and interim reports are available on the company's website www.rabt.se. The website also includes press releases, presentation material from information meetings and other information concerning the company and its share.

Press releases

- **3/13/2013** Viking Supply Ships has signed new long time charter contract
- **3/13/2013** Tor Viking and Balder Viking released by SMA
- **2/26/2013** Year-end report 2012
- **1/21/2013** Organizational restructuring of Viking Supply Ships
- **1/17/2013** Rederi AB TransAtlantic appoints Erik Hansen as interim CFO
- **1/9/2013** Changes in Rederi AB TransAtlantic share ledger
- **12/20/2012** Viking Supply Ships has entered into a sale- and leaseback transaction with Norseman Offshore AS
- **12/17/2012** Extension of contract for Viking Supply Ships
- **12/6/2012** Rederi AB TransAtlantic updates Financial Calendar 2013
- **12/4/2012** Market survey and strategy preview
- **11/2/2012** Viking Supply Ships Financial Report January-September 2012
- **11/2/2012** Interim report January – September 2012
- **10/19/2012** TransAtlantic acquires Merilinja operations
- **10/18/2012** TransAtlantic providing expanded network in the Baltic Sea
- **10/9/2012** Heléne Mellquist appointed CEO Industrial Shipping, TransAtlantic
- **9/26/2012** CEO Industrial Shipping TransAtlantic leaving position
- **9/25/2012** Viking Supply Ships contract with Centrica Energy extended
- **9/4/2012** Viking Supply Ships A/S appoints CFO
- **8/8/2012** Viking Supply Ships Financial Report January-June 2012
- **8/8/2012** Interim report January – June 2012
- **7/24/2012** Transatlantic lays off 25 seafarers and reflags four vessels
- **7/3/2012** Viking Supply Ships contract with Talisman Energy (UK) Limited extended
- **5/23/2012** TransAtlantic's business area Viking Supply Ships giving financial information on first quarter 2012
- **5/21/2012** Viking Supply Ships awarded term contract by Chevron Canada Ltd
- **5/15/2012** TransAtlantic loss figures trigger immediate execution on cost reduction plan within Industrial Shipping
- **5/15/2012** Interim report January – March 2012
- **5/2/2012** TransAtlantic divests MultiDock to Skärdgårdshavet AB
- **4/30/2012** Viking Supply Ships and Sakhalin Energy start cooperation
- **4/30/2012** Release from the Annual General Meeting of Rederi AB TransAtlantic
- **4/20/2012** TransAtlantic Annual General Meeting on April 27, 2012 – changed location
- **4/16/2012** TransAtlantic Reviews Organization – Undertaking Discussions with Union
- **4/13/2012** Viking Supply Ships CFO Resigns
- **3/27/2012** Notification of the Annual General Meeting
- **3/22/2012** Viking Supply Ships completes issuance of new unsecured bonds
- **3/12/2012** TransAtlantic sells property to Tjörns Sparbank
- **2/29/2012** Viking Supply Ships contemplating issuance of new unsecured bonds
- **2/28/2012** Year End Report 2011
- **1/27/2012** TransAtlantic Industrial Shipping Appoints New CEO
- **1/13/2012** New-built AHTS-ship being delivered to TransAtlantic

Key figures

	2012	2011	2010	2009	2008
Number of shares, Dec. 31, 000s	110,903	110,903	55,451	28,430	28,430
Market capitalization, Dec. 31, SEK M	543	1,015	1,686	645	904
Number of shareholders	5,346	5,854	6,783	7,402	6,184
Change in share price during the year, %	-46	-65	32	-29	-26
Ordinary dividend, SEK	—	—	—	—	2.50
Dividend as a percentage of earnings per share	—	—	—	—	27
P/E ratio, Dec. 31	n.a.	n.a.	1.8	n.a.	3.5
Shareholders' equity/share, Dec. 31, SEK/share	19.0	22.5	43.2	42.4	50.9

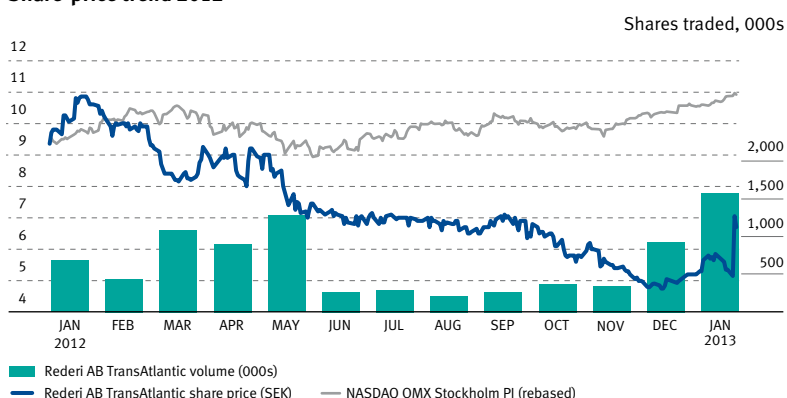
IR Contact

Carina Dietmann
Head of Corporate Communications
Direct line: +46 (0) 31 763 23 34
E-mail: carina.dietmann@rabt.se

Shareholders in Rederi AB TransAtlantic at December 28, 2012

	Series A shares	Series B shares	Number of shares	Portion of capital, %	Portion of votes, %
Nordea No/Odin Viking AS	3,693,178	66,090,461	69,783,639	62.9	58.4
Enneff Rederi/Enneff Fastigheter	2,532,122	1,399,490	3,931,612	3.6	15.2
Lindégruppen AB	913,016	5,313,000	6,226,016	5.6	8.2
Ernström Finans AB	—	3,110,000	3,110,000	2.8	1.8
Skagen Vekst Verdpapirfondet	—	1,877,633	1,877,633	1.7	1.1
Morgan Stanley & Co Intl PLC	—	1,660,000	1,660,000	1.5	0.9
Försäkringsbolaget Avanza Pension	—	1,416,636	1,416,636	1.3	0.8
Kamprad, Ingvar	—	1,175,000	1,175,000	1.1	0.7
Credit Agricole (Suisse) SA	—	1,000,000	1,000,000	0.9	0.6
Ribbskottet AB	—	770,000	770,000	0.7	0.4
Karlsson, Anders	58,606	124,698	183,304	0.2	0.4
Handelsbanken Fonder AB	—	569,202	569,202	0.5	0.3
Total	7,196,922	84,506,120	90,682,708	82.8	88.6
Other shareholders	74,920	19,124,738	20,219,992	17.2	11.2
Total number of shares	7,271,842	103,630,858	110,902,700	100%	100%

Share-price trend 2012



Number of shareholders in size categories at Dec. 28, 2012

Holdings	Shareholders
1-500	2,500
501-1,000	1,003
1,001-5,000	1,298
5,001-10,000	257
10,001-15,000	80
15,001-20,000	52
20,001-	156
Total	5,346

Share capital trend

Event	Change			Number of shares			Share capital (SEK)		Quotient value
	Series A shares	Series B shares	Total	Series A shares	Series B shares	Total	Change	Total	
2004 New share issue	—	474,275	474,275	1,208,980	17,910,153	19,119,133	4,742,750	191,191,330	10
2005 New share issue	608,980	11,129,541	11,738,521	1,817,960	29,039,694	30,857,654	117,385,210	308,576,540	10
2007 Share withdrawal during the year	—	-2,427,180	-2,427,180	1,817,960	26,612,514	28,430,474	-24,271,800	284,304,740	10
2010 New share issue	1,817,961	25,907,715	27,725,676	3,635,921	52,520,229	56,156,150	277,256,760	561,561,500	10
2010 Withdrawal of treasury shares	—	-704,800	-704,800	3,635,921	51,815,429	55,451,350	-7,048,000	554,513,500	10
2011 New share issue	3,635,921	51,815,429	55,451,350	7,271,842	103,630,858	110,902,700	554,513,500	1,109,027,000	10
2012 Reduction to unrestricted reserve*	—	—	—	7,271,842	103,630,858	110,902,700	-998,124,300	110,902,700	1

* Reduction of share capital registered with the Swedish Companies Registration Office on February 29, 2012, from 1,109,027,000 to 110,902,700.

Annual General Meeting

The shareholders of Rederi AB TransAtlantic (publ) are hereby notified of the Annual General Meeting to be held on Wednesday, April 24, 2013 at 4:00 p.m. at the Quality Hotel 11, Eriksberg, Gothenburg.

Registration

Shareholders who intend to participate in the Annual General Meeting must:

- be listed in the shareholder register maintained by EuroClear Sweden AB not later than Thursday, April 18, 2013
- notify the company of their intention to participate not later than 4:00 p.m. on Thursday, April 18, 2013, to the address: Rederi AB TransAtlantic, c/o Computershare AB, Box 610, SE-182 16 Danderyd, or by telephone: +46 (0)771-24 64 00 or on Rederi AB TransAtlantic's website, www.rabt.se.

Registration must include the shareholder's name, personal identity number or corporate registration number, registered shareholding,

address, telephone number (daytime), information on any assistants (maximum of two), and when applicable, information on proxies or representatives. In the event the shareholder intends to be represented by proxy, a power of attorney and other authorization documents must be enclosed with the registration.

Shareholders whose shares are registered with a trustee must temporarily register the shares in their own name with EuroClear Sweden AB to be entitled to participate in the General Meeting. Such reregistration process must be completed not later than Thursday, April 18, 2013. The trustee (bank or fund broker) must be instructed in adequate time prior to that date.

Notification of the Annual General Meeting will be published on Friday, March 22, 2013, in Dagens Industri, Göteborgs-Posten and Post och Inrikes tidning.

Further information regarding the notification and agenda can be found on the company website, www.rabt.se.

Calendar 2013

April 24	Annual General Meeting
May 15	Interim Report January–March
August 7	Interim Report January–June
October 30	Interim Report January–September

Definitions

CAP:

A financial interest-rate instrument used to ensure that interest expense does not exceed a certain set level.

Capital employed:

Interest-bearing liabilities and shareholders' equity.

Debt/equity ratio:

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

De-investment:

Divestment of fixed assets.

Dividend yield:

Dividend per share divided by closing share price at year-end.

Earnings per share:

Profit after financial items less tax on profit for the year (current and deferred tax) according to the consolidated income statement.

EBIT:

Earnings Before Interest and Taxes, corresponding to operating profit/loss.

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.

Hedge:

A general term for financial measures taken to avoid undesirable effects on earnings due to variations in interest rates, exchange rates, etc.

IFRS:

International Financial Reporting Standards, an international accounting standard that all listed companies must adopt. Certain older standards included in the IFRS collective name are referred to as IAS (International Accounting Standards).

Interest-coverage ratio:

Operating profit/loss before depreciation plus interest income divided by interest expense.

Net indebtedness:

Interest-bearing liabilities less cash and cash equivalents.

Operating cash flow:

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

Operating profit/loss:

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

Operating profit/loss (before tax):

Profit/loss before tax and before restructuring costs.

Operating profit/loss per business area:

Profit/loss after financial items and before Group-wide expenses and central/Group-wide net financial income/expenses.

Profit/loss per business area:

Profit/loss for each business area, recognized before Group-wide expenses.

P/E ratio:

Closing share price at the end of the period divided by profit after financial items less full tax per share.

Percentage of risk-bearing capital:

Shareholders' equity and deferred tax liabilities (including non-controlling interests) divided by total assets.

Profit margin:

Profit after financial items divided by net sales.

Restructuring costs:

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

Return on capital employed:

EBIT divided by average capital employed.

Return on equity:

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

Total cash flow:

Cash flow from operating activities, investing activities and financing activities.

Glossary

AHTS – Anchor Handling, Tug & Supply Ships:

Combination vessels operating in the offshore market, intended for use in anchor-handling, tug operations and transportation of supplies.

Bareboat charter:

The leasing of a vessel without a crew to a charter party for a fixed period. In principle, the charterer pays all operating costs.

Breakbulk:

General cargo or bulk cargo that is "breakbulk" loaded, meaning with no pallets or other type of carrier.

Bulk carrier:

Vessel for the transportation of loose goods in large quantities, such as coal, ore and grain.

Bunker:

Name of the vessel's fuel, i.e. the oil used for powering the vessel's engines.

Charterer:

A cargo owner or party that charters a vessel.

Deadweight tons (DWT):

The total weight of cargo, bunkers and unattached equipment that a vessel can carry.

ERRV:

Emergency Response and Rescue Vessels.

Feeder traffic:

Feeder services with smaller vessels to ports where reloading to larger vessels is undertaken.

FEU:

Container size. Forty Equivalent Units, i.e. a 40-foot container.

HSE policy:

Health, safety and environmental policy.

IMO:

International Maritime Organization, UN international maritime body.

ISM code (International Safety Management):

Quality and safety regulations stipulated by IMO for international merchant shipping. Certification in accordance with the ISM Code is administered by the national maritime authority, which in Sweden is the Swedish Maritime Administration.

ISO:

International Standards Organization.

Joint Venture:

Business operations performed by two or more companies jointly, with shared risk-taking.

LoLo vessel (Lift on Lift off):

Vessel that is loaded/unloaded using its onboard or fixed dockside cranes.

Marpol:

International Convention for Prevention of Maritime Pollution from Ship. IMO environmental convention.

MRM:

Maritime Resource Management.

NETSS:

Stora Enso's logistics system for Northern Europe. "North Europe Transport & Supply System."

Offshore:

General term for industrial activities in connection with the exploitation of oil resources at sea.

Paper carrier:

A forest-products carrier specially adapted for paper cargo.

PSV:

Platform Supply Vessel.

Rates:

Freight or transport charges/prices.

RoLo vessel: (Roll on/off Lift on/off):

Vessel with both cargo hatches and ramps and can therefore combine loading/unloading with trucks and/or cranes.

RoRo vessel (Roll on Roll off):

Vessel on which cargo is driven on board via one or more ramps located on the vessel.

SECA:

Sox Emission Control Areas.

SECU:

Stora Enso Cargo Unit.

Side-port vessel/side loader:

Vessel that is loaded using trucks and/or rolling platforms through side ports, often in combination with lifts between various decks.

Ship Management:

All the services required to operate a vessel, including the crew.

Spot market:

The sector of the chartering market in which a vessel is chartered for individual voyages as opposed to long-term charters.

Solas:

International Convention for Safety of Life at Sea. IMO safety convention.

SSPA:

Svensk Skeppsprovningensanstalt. (Swedish shipbuilding testing institute).

Supply vessel:

Vessel that transports supplies to oilrigs and platforms in the North Sea.

TAP agreement:

Agreement covering temporarily employed personnel on Swedish-registered vessel, which is not based on a Swedish labor agreement.

Timecharter (T/C):

Leasing a vessel to a charter party for a fixed period of time. The ship-owner pays all the operating costs except bunkers and port dues.

Rederi AB TransAtlantic (RABT) is a leading Swedish shipping company with headquarters in Gothenburg, Sweden, and additional offices in Europe. TransAtlantic is organized into two business areas: Industrial Shipping and Viking Supply Ships. Viking Supply Ships, which is active in offshore and icebreaking, is also a wholly owned subsidiary of RABT. The Industrial Shipping business area consists of three divisions: Bulk, Container and RoRo. The Group has about 800 employees and generated sales of SEK 3,274 M in 2012. The company's Series B shares are listed on the NASDAQ OMX Stockholm, Small Cap segment.

www.rabt.se

Rederi AB TransAtlantic (publ)

Visiting address:

Lindholmsallén 10

Box 8809, SE-402 71 Gothenburg, Sweden

Tel: +46 31-763 23 00

E-mail: info@rabt.se

www.rabt.se



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