

# ANNUAL REPORT

## 2005/06



**REDERI AB GOTLAND**

*Established 1865*



# Annual Report

## 2005/06

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### Financial Information 2006/07

#### 30 August 2006

Annual general meeting of shareholders

#### 18 October 2006

Interim report May-August 2006

#### 21 February 2007

Interim report May-December 2006

[www.gotlandsbolaget.se](http://www.gotlandsbolaget.se)



The annual report is also available on our website.

### Front cover

This year's cover shows the HSC Gotlandia II leaving Visby harbour.



*The HSC Gotlandia II visits Stockholm on 17 June 2006.*

## **The Year in Brief**

### **1 May 2005-30 April 2006**

#### **Financial performance**

Profit after financial items fell from SEK 346 million to SEK 269 million. The prior year figure includes capital gains of SEK 98 million. Net sales climbed from SEK 1,212 million to SEK 1,314 million.

#### **Tonnage**

All of the group's vessels were employed throughout the year. A new high-speed ferry for the Gotland service has been delivered for the 2006 summer season, and the group has three product tankers (all 52,000 dwt and ice class 1A Super) on order for delivery in 2006-08.

The group has acquired a 50 per cent interest in the product tanker M/T Wisby Verity and ordered a sister vessel in partnership with Wisby Tankers AB.

#### **The Gotland service**

The new traffic concept of fast ferries on all crossings has proved a major success and cut crossing times between Gotland and mainland Sweden by around two hours. The number of passengers on the Gotland service grew for the eighth year in a row to 1,459,291 in calendar year 2005.

During the year Destination Gotland AB decided to exercise its option to extend the term of the current agreement with the Swedish government to 31 December 2008.

#### **Redemption of shares**

On 30 August 2005 the annual general meeting of shareholders resolved to redeem 600,000 shares at a price of SEK 561 each in line with the board's proposals.

# Letter to Shareholders



*Jan-Eric Nilsson  
Chairman*



*Jan-Erik Rosengren  
Managing director*

The 2005/06 financial year brought profit after financial items of SEK 269 million, compared with SEK 346 million in 2004/05. The prior year figure includes capital gains of SEK 98 million, which means that the profit for 2005/06 can be deemed satisfactory. The main reason for this profit was a very good market for product tankers during the year.

The company has expanded its product tanker newbuilding programme in China to include a third vessel, and the company's partner A/S Dampskibsselskabet TORM has also ordered four vessels of the same type, known as the Gotland class. The company has also entered into a new partnership with Wisby Tankers AB which we hope will be a success for both parties.

The number of passengers on the Gotland service increased by 0.4 per cent last year, which means that passenger numbers have now grown for eight years in a row, and it is high time to increase capacity with an additional vessel in line with the plan on which the development of the service is based.

The delivery of the new high-speed ferry HSC Gotlandia II is part of the company's efforts to keep pace with developments – or indeed stay one step ahead – in order to meet the needs of the service and its users.

In spring 2006 the Swedish National Public Transport Agency carried out a tender procedure for the operation of the Gotland service during the period 2009-14. The company chose not to submit a tender due to the terms of the underlying documentation. As no other bids were received, a fresh tender procedure will take place in autumn 2006.

There is currently a large majority on Gotland calling for current service levels to be a minimum requirement in the upcoming tender procedure. For the company's part, we are prepared both to continue and to enhance the existing concept.

Finally we would like to extend our thanks to employees for their hard work during the year.

A handwritten signature in black ink, appearing to read 'Jan-Eric Nilsson'.

Jan-Eric Nilsson,  
chairman

A handwritten signature in black ink, appearing to read 'Jan-Erik Rosengren'.

Jan-Erik Rosengren,  
managing director

# The Board of Directors



*Top row, from left: Björn Jernbom, Jonas Åman, Peter Skoglund, Björn Nilsson.  
Bottom row, from left: Christer Bergquist, Björn Wolrath, Peter J Lindskog, Bill Andréasson, Ann-Marie Åström, Jan-Eric Nilsson*

## **Jan-Eric Nilsson**

Chairman. Born 1957, Stockholm. Board member since 1986 and member of the remuneration committee.

Shareholding: see page 12

Other commissions:

Chairman of Handelsbanken Visby and the Swedish Shipowners' Association's environmental committee. Vice-chairman of the East Sweden Chamber of Commerce. Member of Handelsbanken Regionbank Öst, the Gotland Tourist Association, the Swedish Sea Rescue Society, the board and ferry section of the Swedish Shipowners' Association and the International Marine Transit Association (IMTA). Member of the administrative board of Redarnas Ömsesidiga Försäkringsbolag and Försäkringsaktiebolaget Alandia in Mariehamn, the committee of Assuranceforeningen Skuld in Oslo and Lloyd's technical and Nordic committees in London.

## **Ann-Marie Åström**

Vice-chairman. Born 1965, Stockholm. LLM.

Board member since 1991.

Shareholding: see page 12

## **Bill Andréasson**

Born 1941, Stockholm. Lawyer. Board member since 1991.

Shareholding: 0 shares

## **Christer Bergquist**

Born 1952, Lidingö. Director. Board member since 1996 and member of the remuneration committee.

Shareholding: 0 shares

## **Peter J Lindskog**

Born 1947, Stockholm. Lawyer. Board member since 1983.

Shareholding: 0 shares

## **Björn Nilsson**

Born 1964, London. Economist. Board member since 1990.

Shareholding: 0 shares

## **Björn Wolrath**

Born 1943, Stockholm. Director. Board member since 1997 and member of the remuneration committee.

Shareholding: 200 A-shares

Other commissions:

Chairman of Counterme Technologies AB. Board member of Codan AS and Samhall AB.

## **Jonas Åman**

Born 1964, Oslo. Economist. Board member since 2004.

Shareholding: 0 shares

## **Björn Jernbom**

Born 1949, Trosa. Chief engineer. Employee representative. Board member since 2005.

Shareholding: 0 shares

## **Peter Skoglund**

Born 1964, Visby. Ombudsman. Employee representative.

Board member since 2005.

Shareholding: 0 shares

## **Monica Friman**

Born 1967, Visby. Administrator. Employee representative.

Deputy board member since 2005.

Shareholding: 0 shares

## **Ulf Hammarström**

Born 1951, Hemse. Navigating officer. Employee representative.

Deputy board member since 2005.

Shareholding: 0 shares

## **Eric D Nilsson**

Honorary chairman

Born 1927. Shipowner.

Honorary chairman since 1989.

Managing director and executive chairman 1970-88.



# Rederi AB Gotland 1865 – 2006



*Rederi AB Gotland is Sweden's oldest shipping company. Together with its subsidiary Destination Gotland, it is probably also Europe's oldest operational passenger ship company.*

**1865** Gotlandsbolaget is founded under the name Ångfartygsbolaget Gotland (the Gotland Steamship Company). The company's first vessel was named the Wisby.

**1890** The company founds the Gotland Tourist Association, which remains an important player in the island's tourist industry today.

**1949** The travel agency business is started up.

**1955** The ferry Christofer Polhem enables cars to be transported to and from Gotland on a ro-ro basis.

**1964, 1972, 1980, 1999, 2003** Milestones for new generations of vessels on the Gotland service. The first Ro-Pax vessels were built in the Netherlands and Yugoslavia. The generation of the 1980s was built in Sweden. The first-generation high-speed ferry was ordered from a French shipyard, while the second generation of large high-speed ferries was built in China.



**1984** A local air service is operated through the subsidiary Avia. The business was sold in 1992 and is now Sweden's largest regional airline under the new name of Skyways.

**1988** Rederi AB Gotland loses the contract for the Gotland service to another operator after 122 years.

**1989** The company adopts a strategy of spreading its risks and begins to invest in product tankers.

**1998** Rederi AB Gotland wins back the Gotland service through subsidiary Destination Gotland AB.

**1999** The first single-hulled high-speed ferry enters into service: the HSC Gotland, renamed HSC Gotlandia in 2003.

**2003** The two new Chinese-built high-speed ferries M/S Visby and M/S Gotland make the service between Gotland and mainland Sweden one of the most modern marine transportation systems in the world, served exclusively by high-speed ferries.

**2005** The property Magasin 3 in the Visby harbour area, previously a restaurant, is converted into a tourist information centre and offices for the Gotland Tourist Association.

**2006** Delivery of the HSC Gotlandia II.





*The bridge of the HSC Gotlandia II.*

## Business Idea and Strategy

Rederi AB Gotland's business idea is to invest in vessels in the ferry, Ro-Ro and product tanker segments. This includes active participation in the development of new vessels. The strategy is mainly to concentrate investments on new generations of high-tech vessels.

The company has its own operational activities in order to maintain its expertise. Rederi AB Gotland has operated the service between Gotland and the Swedish mainland under an agreement with the government since 1998, through its subsidiary Destination Gotland AB. By developing modern passenger tonnage that meets the most stringent environmental and safety standards, Rederi AB Gotland can offer passengers and cargo customers rapid and reliable transportation at reasonable prices.

The investment in product tankers has been made to offset the dependence on the ferry market, which is in line with the company's objective of having a low risk profile.

To promote tourism on Gotland and thereby increase ferry traffic, marketing and travel agency operations are carried

out in close cooperation with other Gotland travel companies. A joint sales and production company called Gotland Promotion AB has been set up to market and sell Gotland effectively as a tourist destination.

### Organisation

Rederi AB Gotland has its head office in Visby, where most of its business is also based. The parent company operates Gotlands Affärsresor, a travel agency specialising in business travel, while the subsidiary Destination Gotland AB is responsible for the operation of the Gotland ferry service. The parent company also has subsidiaries in Switzerland, the Bahamas and Norway which own and operate some of the group's vessels.



**Model of the Gotland class**  
*Read more on page 32.*



# Shipping Operations

## Sales

Shipping operations generated net sales for the 2005/06 financial year of SEK 1,262 (1,163) million.

## The shipping market

Demand for ferry tonnage was generally good during the year. The market for product tankers was very good. The number of passengers on the Gotland service edged up by 0.4 per cent in calendar year 2005.

## Ferries

The group's wholly owned fast ferries M/S Visby, M/S Gotland and HSC Gotlandia spent the entire period employed on the Gotland service. The M/S Color Traveller (formerly M/S Thjelvar) was chartered on a bareboat basis to Color Line AS in Norway for three years in 2003. The M/S Gute was chartered to Riga Sea Line for service on the Nynäshamn-Riga route and to DFDS for service on the Karlshamn-Klaipeda route. The M/S Hoburgen was chartered to Svenska Orient Linien throughout the period.

The HSC Gotlandia II was delivered from the Fincantieri yard in Italy on 27 April 2006 and replaces the HSC Gotlandia on the Gotland service.

Rederi AB Gotland also has management responsibility for the M/S Sigyn on behalf of Svensk Kärnbränslehantering AB.

## Product tankers

The group has 100 per cent holdings in two product tankers: the 75,000 dwt M/T Torm Anna and the 100,000 dwt M/T Torm Ann-Marie. A/S Dampskibsselskabet TORM of Copenhagen has management responsibility for these vessels. The group also had a 50 per cent interest in the product and chemical tanker M/T Bolero, which was chartered back on a bareboat basis to the Anglo-Atlantic Steamship group. This stake was sold to the charterer on 31 May 2005, triggering a capital loss of around SEK 9 million. This loss has been recognised in the accounts for 2004/05. At the end of April 2006 the group entered into a partnership with Wisby Tankers AB whereby the group acquired

a 50 per cent interest in Wisby Tankers' 7,600 dwt product tanker M/T Wisby Verity. The company has three product tankers (all 52,000 dwt and ice class 1A Super) on order from Guangzhou Shipyard International in China for delivery in 2006-08. Together with Wisby Tankers AB, Rederi AB Gotland has also ordered a sister vessel to the M/T Wisby Verity from Ferus Smit Leer GmbH in Germany for delivery in 2009.

## Net book value

The group's vessel holdings had a net book value of SEK 1,476 million on 30 April 2006. It is difficult to carry out a fair market valuation of the group's ferries to reveal any hidden reserves or deficits. The ferry market reflects the special circumstances applicable to the route on which a ferry will operate. The price depends entirely on the supply of vessels at any given point in time, which results in substantial fluctuations in prices between the relatively few sales that take place. Prices are currently good due to a slight reduction in supply. The vessels operating on the Gotland service have been chartered out through to 2008, which further complicates a fair valuation.

The product tanker market is more efficient in terms of both vessels and freight rates. Newbuilding prices continued to rise in 2005/06.

## Currency risks/opportunities

Currency flows relating to ferry operations are denominated mainly in SEK. Inward and outward payments relating to the product tankers are denominated in USD. Payments in EUR have grown markedly in the last year. The company does not normally hedge these currency flows.

The newbuilding contracts for the product tankers ordered from China are denominated in USD, while the contract for the smaller newbuilding ordered from Germany is denominated in EUR. The company considers that sensitivity is limited, since inward and outward payments are constantly in balance. Fluctuations in exchange rates do nevertheless have some impact through oil and shipbuilding prices.





# Safety and the Environment

## Safety

Safety at sea is governed by the International Maritime Organisation (IMO), a UN body which publishes a range of regulations and conventions, including the SOLAS (Safety of Life at Sea) Convention. Sweden has undertaken to comply with all such regulations and conventions in this area, and the Swedish maritime authorities actually demand higher standards than required by the IMO and SOLAS.

The company operates an active safety policy in close cooperation with the relevant authorities. The new high-speed ferries that the company has had built for the Gotland service meet all environmental and safety requirements made by the authorities of this class of vessel. During the year the traffic system was modified to comply with the International Ship and Port Facility Security (ISPS) Code, which entered into force for domestic traffic on 1 July 2005.

## Environment

Reducing the environmental impact of its vessels is an important part of the company's policy. The objective is, wherever possible, to comply with recommendations from Swedish and international authorities and organisations which lead to a reduction in environmental impact.

New vessels are fitted with the very latest technical solutions, and all propulsion machinery (including auxiliary engines) on board all vessels operating on the Gotland service has been fitted with catalytic emission control systems. This has reduced nitrogen oxide emissions by more than 80 per cent. The vessels have also been converted to run on low-sulphur fuel containing less than 0.2 per cent sulphur.

## ISO certification

Destination Gotland is ISO 14001 and ISO 9001 certified.



# Destination Gotland AB

Destination Gotland has operated ferry services between the port of Visby on Gotland and the ports of Oskarshamn and Nynäshamn on the Swedish mainland under an agreement with the Swedish government since 1998. The routes are served by two large high-speed ferries, the M/S Gotland and M/S Visby, and the smaller high-speed ferry HSC Gotlandia (HSC Gotlandia II from summer 2006). The Gotland service has a seasonal pattern, with around 60 per cent of passenger traffic between June and August. Cargo traffic is evenly distributed throughout the year and amounted to approximately 662,000 linear metres in calendar year 2005, up 3.1 per cent on 2004. The number of cars carried was 419,000, an increase of 2.9 per cent. The number of passengers climbed 0.4 per cent to 1,459,291, while the number of crossings fell by 32 to 2,802. Destination Gotland generated net sales of SEK 919 (797) million during the 2005/06 financial year. There has been slow but steady growth in traffic volumes over the years.



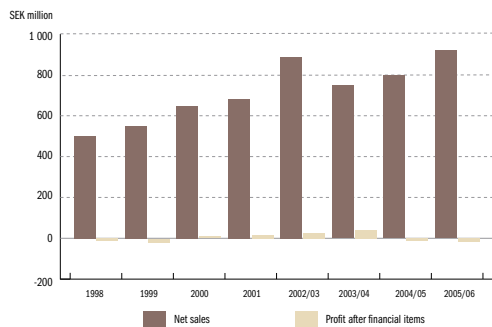
## Facts about the agreement with the government to operate the Gotland service

Since 1971 the service between the Swedish mainland and Gotland has been regulated through a procurement procedure in which the government signs an agreement with a shipping company to operate passenger and freight traffic. The aim of the agreement is to guarantee the people and businesses of Gotland a good ferry service all year round and so partially mitigate Gotland's competitive disadvantages due to its location. On 1 January 2000 the Swedish National Public Transport Agency took over responsibility for this procurement procedure. Rederi AB Gotland held the franchise until 1987 but it was then awarded to another shipping company for the period 1988-97. In 1998 Rederi AB Gotland resumed responsibility for the Gotland service through Destination Gotland AB.

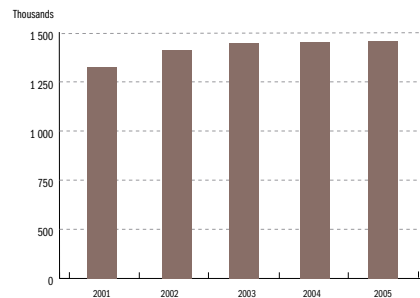
The agreement, which was extended in September 2001, runs until the end of 2008. Under the agreement, the company has undertaken to operate the Gotland service in accordance with specified requirements for safety, environmental impact, convenience, timetables and prices. Timetables and prices are stipulated by the government. Under the terms of the agreement, the government receives the income from traffic operations and then disburses the agreed remuneration to Destination Gotland for the services supplied. The extended agreement requires the company to operate high-speed ferries on the Gotland service. It also requires the company to take on more risk in terms of the profitability of the service.

In spring 2006 the Swedish National Public Transport Agency carried out a tender procedure for the operation of the Gotland service during the period 2009-14. Rederi AB Gotland chose not to submit a tender due to the terms of the underlying documentation. As no other bids were received, a fresh tender procedure will take place in autumn 2006.

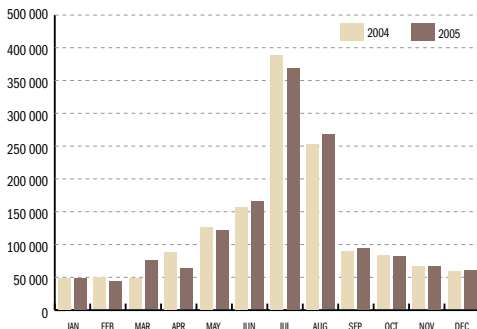
SALES AND EARNINGS AT DESTINATION GOTLAND AB, 1998-2005/06



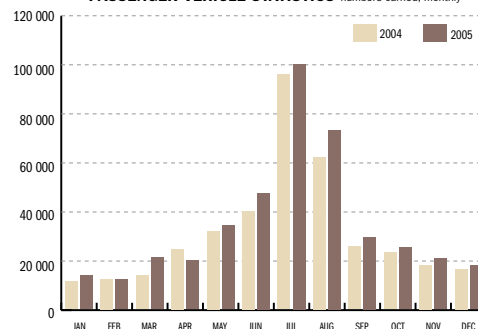
PASSENGER NUMBERS, 2001-2005



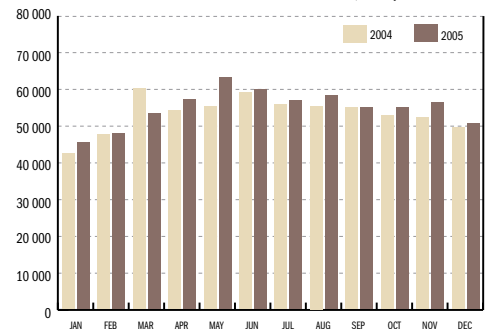
PASSENGER STATISTICS numbers carried, monthly



PASSENGER VEHICLE STATISTICS numbers carried, monthly



CARGO STATISTICS total linear metres, monthly



## Property

No major investments were made in property during the year. The wholly owned subsidiary Fastighets AB Kopparsvik, which owns the HamnHotellet hotel in the Visby harbour area, has plans to increase the hotel's capacity in the longer term by extending the complex.

Rederi AB Gotland also owns a number of office, restaurant and other properties in the Visby harbour area.

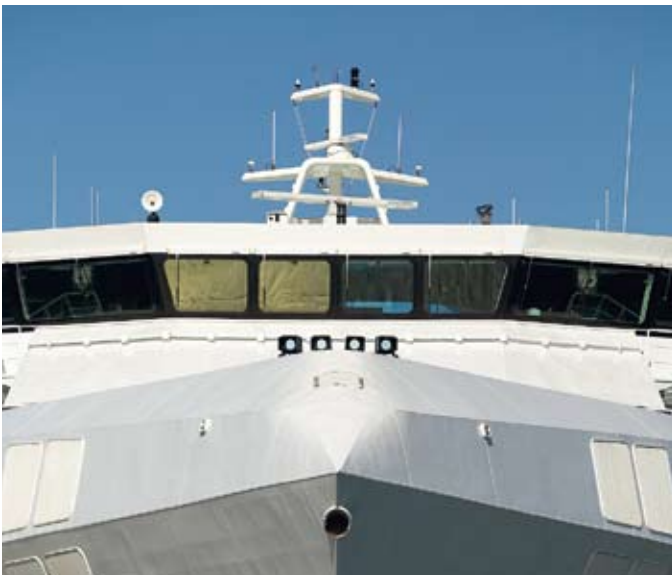
## Gotlands Affärsresor

Gotlands Affärsresor provides travel agency services for companies, authorities and other organisations on Gotland. Its three largest customers are currently Gotland Municipality, gaming company Svenska Spel and Gotland University. The business employs a total of eight people, two of whom work on the customer's premises.

## Staff and Skills

The group's employees are based mainly on Gotland. The 436 (447) full-time employees break down into 40 per cent women and 60 per cent men. The group is Gotland's third-largest employer. Each year staff are given training in line with the company's safety and ISO certifications.

Rederi AB Gotland's intellectual capital has been built up over many years. The development of the fleet and expertise in vessel operation are two factors that have underpinned the company's strategy for success and positioning itself in the market. Over a century of trading has resulted in good market insight, a broad network of contacts and high levels of confidence in the company.



# Rederi AB Gotland's Shares

Rederi AB Gotland's shares were quoted on Stockholmsbörsen in Stockholm from 1982 until 2004. An extraordinary general meeting on 11 November 2003 resolved to delist the company's two classes of share from the Stockholmsbörsen O-list, and this took place on 19 March 2004. Since 22 March 2004 the company's shares have been traded instead on the Mangold List, a marketplace run by Mangold Fondkommission.

## Share capital

At the end of the 2005/06 financial year Rederi AB Gotland had share capital of SEK 3,369,756 (3,754,417), divided into an equal number of shares with a nominal value of SEK 1 each. There were 1,818,419 (1,923,044) A-shares with ten votes each, 951,337 (1,831,373) B-shares with one vote each, and 600,000 C-shares which are held by Swedish bank Handelsbanken and will be cancelled at the upcoming annual general meeting of shareholders.

## Ownership structure

The company had 2,277 shareholders on 30 April 2006. Around two-thirds of them are resident on Gotland. Institutional holdings amounted to 5.5 per cent on the same date.

## Share price and turnover

The company's share performed well during the financial year. The B-share gained 55 per cent, from SEK 410 on 30 April 2005 to SEK 635 on 30 April 2006. The Stockholmsbörsen all-share index (SAX) climbed 44 per cent over the same period, while the sector to which the company belonged when listed on Stockholmsbörsen (SX203030 Marine) gained 45 per cent.

The highest price recorded for the B-share during the period was SEK 640. The lowest was SEK 425. A total of 7,788 shares were traded during the year to a value of SEK 4.0 million. The B-share is the more heavily traded of the company's two classes of share.

## Treasury shares and redemption of shares

The company's holding of 384,661 treasury shares on 30 April 2005 was cancelled at the annual general meeting of shareholders on 30 August 2005. The meeting also resolved to redeem 600,000 shares at a price of SEK 561 each. These shares were redeemed and cancelled in September 2005. At the same time 600,000 C-shares were issued, which are held by Swedish bank Handelsbanken and will be redeemed at a price of SEK 1 each following the upcoming annual general meeting of shareholders.

## Dividend policy

The objective agreed by the board is that dividends should, in principle, reflect growth in reported equity. Equity amounted to SEK 1,307 million on 30 April 2006, compared with SEK 1,419 million on 30 April 2005. The board therefore proposes a dividend of SEK 2.40 per share (2004/05: SEK 2.60).

Per-share data can be found on page 16.



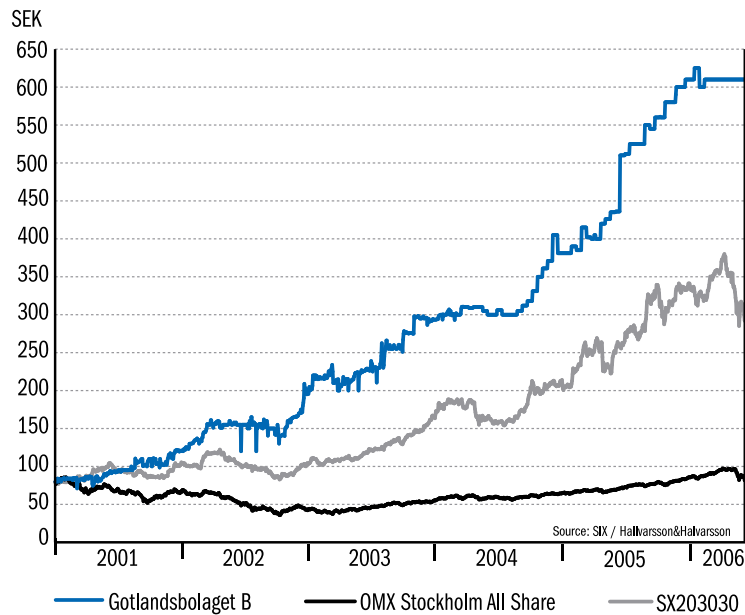
## OWNERSHIP STRUCTURE 30 APRIL 2006

	TOTAL	A-SHARES	B-SHARES	PERCENTAGE OF VOTES	PERCENTAGE OF VOTES
Trojborg AB (Jan-Eric Nilsson and Ann-Marie Åström)	1,489,105	1,382,135	106,970	72.8	53.8
Tage Johansson and companies	100,527	87,413	13,114	4.6	3.6
Redarnas ömsesidiga försäkringsbolag	40,900	29,700	11,200	1.6	1.5
Förvaltnings AB Grötlingboudt	132,197	3,883	128,314	0.9	4.8
Köpmansgillet i Visby	27,820	11,250	16,570	0.7	1.0
Stiftelsen Mjölkdroppen	28,950	9,650	19,300	0.6	1.0
Mats Johansson	28,942	7,111	21,831	0.5	1.0
Strand Hotell i Visby	16,232	5,882	10,350	0.4	0.6
Visby Stadsmission	16,500	5,500	11,000	0.3	0.6
Foreign managers	280,867	89,156	191,711	5.7	10.1
Others	607,716	186,739	420,977	12.0	21.9
<b>Total</b>	<b>2,769,756</b>	<b>1,818,419</b>	<b>951,337</b>	<b>100</b>	<b>100</b>

Swedish bank Handelsbanken also holds 600,000 C-shares which will be redeemed at a price of SEK 1 each following the upcoming annual general meeting of shareholders.

## Rederi AB Gotland's Shares

### SHARE PRICE, 2001-JUNE 2006



#### SINCE LISTING ON STOCKHOLMSBÖRSEN IN 1982, THERE HAVE BEEN THE FOLLOWING MOVEMENTS IN THE SHARE CAPITAL OF REDERI AB GOTLAND:

YEAR	TRANSACTION	INCREASE/DECREASE IN NUMBER OF SHARES	INCREASE/DECREASE IN NUMBER OF SHARES	TOTAL NUMBER OF SHARES	TOTAL SHARE CAPITAL (SEK)
1983	Bonus issue/split	+210,000	+2,100,000	630,000	6,300,000
1989	Split 10/1	+5,670,000		6,300,000	6,300,000
1998	Redemption	-860,304	-860,304	5,439,696	5,439,696
1999	Redemption	-1,029,524	-1,029,524	4,410,172	4,410,172
2002	Cancellation (buy-back)	-410,172	-410,172	4,000,000	4,000,000
2003	Cancellation (buy-back)	-153,388	-153,388	3,846,612	3,846,612
2004	Cancellation (redemption)	-92,195	-92,195	3,754,417	3,754,417
2005	Cancellation (buy-back)	-384,661	-384,661	3,369,756	3,369,756
2005	Cancellation (redemption)	-600,000	-600,000	2,769,756	2,769,756

#### BREAKDOWN BY SIZE OF HOLDING, 30 APRIL 2006

SIZE OF HOLDING	NUMBER OF SHARES	PERCENTAGE OF SHARES	NUMBER OF SHAREHOLDERS	PERCENTAGE OF SHAREHOLDERS
1-200	85,108	3.1	1,837	80.6
201-500	74,594	2.7	226	9.9
501-1,000	67,055	2.4	91	4.0
1,001-5,000	184,720	6.7	90	4.0
5,001-	2,358,279	85.1	33	1.4
<b>Total</b>	<b>2,769,756</b>	<b>100.0</b>	<b>2,277</b>	<b>100.0</b>

Institutional investors held 5.5 per cent of the capital and 4.0 per cent of the votes.

# Administration Report

The board and the managing director of Rederi AB Gotland (publ), corporate identity number 556000-8020, hereby submit the annual accounts for the financial year 1 May 2005 to 30 April 2006 for the parent company Rederi AB Gotland and the group of which Rederi AB Gotland is the parent company.

Rederi AB Gotland is a subsidiary of Trojaborg AB of Stockholm, corporate identity number 556339-9574.

## Sales and earnings

The group generated operating profit of SEK 235 (243) million. Profit after financial income and expenses fell to SEK 269 (346) million. The prior year figure includes capital gains of SEK 98 million. Net sales came to SEK 1,314 (1,212) million.

## Company focus

The business consists of shipping operations, with the wholly owned subsidiary Destination Gotland AB being responsible for the Gotland service. The business also includes travel agency services and property management to a lesser extent.

## Shipping operations

The group's wholly owned vessels M/S Visby, M/S Gotland and HSC Gotlandia spent the entire period employed on the Gotland service. The HSC Gotlandia II was delivered at the end of April to replace the HSC Gotlandia on the Gotland service.

The M/S Color Traveller (formerly M/S Thjelvar) was chartered to Color Line A/S.

The M/S Gute was chartered to Riga Sea Line and DFDS.

The M/S Hoburgen was chartered to Svenska Orient Linien.

The company also has management responsibility for the M/S Sigyn on behalf of Svensk Kärnbränslehantering.

The group owns two product tankers: the 75,000 dwt M/T Torm Anna and the 100,000 dwt M/T Torm Ann-Marie.

A/S Dampskibsselskabet TORM of Copenhagen has management responsibility for these vessels.

In April 2006 the group acquired a 50 per cent interest in the 7,600 dwt product tanker M/T Wisby Verity. The vessel has been chartered back to Wisby Tankers AB.

The product tanker market was very good during the year.

The company has three product tankers (all 52,000 dwt and ice class 1A Super) on order from Guangzhou Shipyard International in China for delivery later this year and in 2007/08. Together with Wisby Tankers AB, Rederi AB Gotland has also ordered a sister vessel to the M/T Wisby Verity from Ferus Smit Leer GmbH in Germany for delivery in 2009.

## Destination Gotland AB

Destination Gotland AB is a wholly owned subsidiary of Rederi AB Gotland and is responsible for the service between Gotland and the Swedish mainland. The company charters the vessels M/S Visby, M/S Gotland and HSC Gotlandia. Destination Gotland generated a loss after financial items of SEK 7.3 (4.6) million. Net sales came to SEK 919 (797) million. The number of passengers using the Gotland service in 2005 was 0.4 per cent up on 2004 at 1,459,291.

As announced previously, the Swedish National Public Transport Agency has instigated arbitration proceedings against Destination Gotland AB concerning the interpretation of the agreement with the Swedish government.

Destination Gotland AB is of the opinion that no infringements have been made. However, if the tribunal upholds the Swedish National Public Transport Agency's interpretation, this could have negative implications for Destination Gotland AB's earnings.

## Investments

The group's gross investments amounted to SEK 685 (111) million during the period.



### Financial position

The group's liquid assets and short-term investments amounted to SEK 493 (596) million.

Interest-bearing liabilities totalled SEK 721 (256) million.

The equity ratio was 49.5 (65.8) per cent.

Equity amounted to SEK 472 (421) per share.

### Parent company sales and earnings

The parent company generated profit after financial items of SEK 372 (360) million. These earnings include dividends from subsidiaries of SEK 276 (252) million. The company's net profit was SEK 383 (356) million. Net sales came to SEK 315 (292) million.

### Treasury shares and redemption of shares

The company's holding of 384,661 treasury shares on 30 April 2005 was cancelled at the annual general meeting of shareholders on 30 August 2005. The meeting also resolved to redeem 600,000 shares at a price of SEK 561 each. These shares were redeemed and cancelled in September 2005. At the same time 600,000 C-shares were issued, which are held by Swedish bank Handelsbanken and will be redeemed at a price of SEK 1 each following the upcoming annual general meeting of shareholders.

### Proposed appropriation of profits

Profits at the disposal of the annual general meeting of shareholders:

	SEK
Profit brought forward	-136,325,725
Net profit for the year	382,780,697
	<hr/>
	246,454,972

The board and managing director propose that these profits be appropriated as follows:

Dividend to shareholders of SEK 2.40.

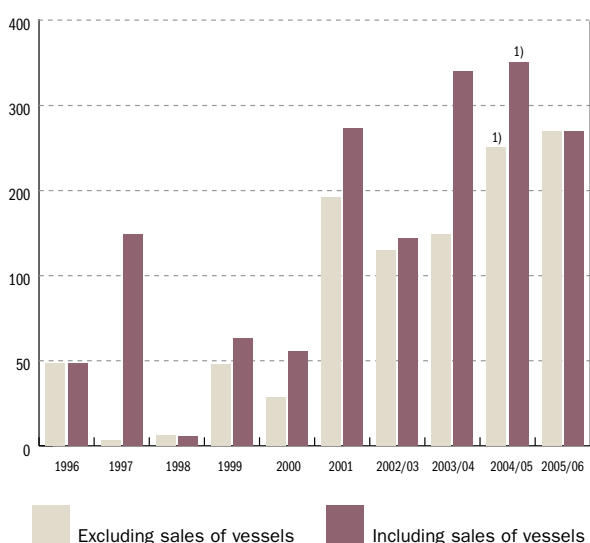
(2,769,756 shares)	6,647,414
To be carried forward	239,807,558
	<hr/>
	246,454,972

There are currently 3,369,756 registered shares in the company, of which 600,000 are C-shares with no dividend entitlements.

The board is of the opinion that the proposed dividend complies with the requirements of chapter 17 section 3 of the Swedish Companies Act concerning the demands which the business's nature, scope and risks place on the equity, consolidation needs, cash position and financial position in other respects of both the parent company and the group.

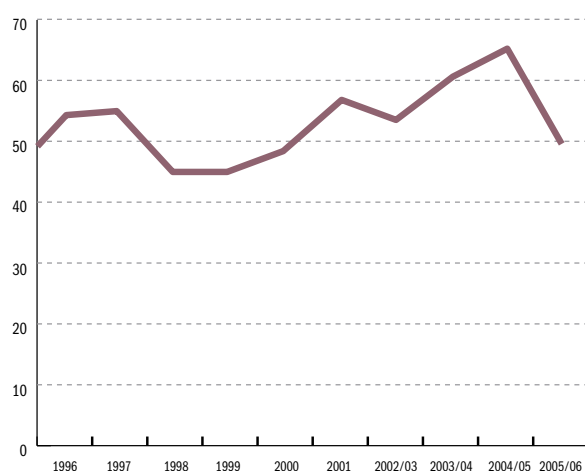
The income statement and balance sheet will be presented to the annual general meeting of shareholders on 30 August 2006 for adoption.

**PROFIT AFTER FINANCIAL ITEMS, SEK MILLION**



1) The difference in 2004/05 is attributable to gains on the sale of shares and not gains on the sale of vessels.

**EQUITY RATIO, %**



# Five-year Financial Review

	2005/06	2004/05	2003/04	2002/03 16 months	2001
<b>From the income statement (SEK million)</b>					
Income	<b>1,314.3</b>	1,212.4	1,031.1	1,271.7	1,032.6
Profit after financial items	<b>268.7</b>	346.3	338.2	143.7	279.9
<b>Return (%)</b>					
- on equity after tax (1)	<b>17.0</b>	23.9	26.2	11.9	31.2
- on capital employed (2)	<b>12.6</b>	20.7	21.3	9.8	21.6
- on assets (3)	<b>11.7</b>	18.9	19.1	9.0	20.2
<b>From the balance sheet (SEK million)</b>					
Fixed assets	<b>1,883.7</b>	1,427.7	1,514.1	1,409.3	1,422.0
Current interest-free operating liabilities	<b>173.4</b>	172.1	188.9	182.2	102.9
Long-term liabilities	<b>681.2</b>	177.1	194.3	409.0	393.6
Equity	<b>1,306.9</b>	1,419.2	1,148.0	999.1	945.8
Total assets	<b>2,639.6</b>	2,156.4	1,897.2	1,827.0	1,656.6
Equity ratio (%) (4)	<b>49.5</b>	65.8	60.5	54.7	57.1
<b>Per share (SEK)</b>					
Equity	<b>471.8</b>	421.13	331.60	246.21	224.23
Earnings after tax	<b>78.28</b>	89.84	76.78	28.44	60.74
Proposed dividend (of which bonus)	<b>2.40*</b> –	2.60 –	2.10 –	2.40 0.60	3.20 1.60
<b>Share price at year-end</b>					
B-share	<b>635.0</b>	410	310	228	121
<b>Other</b>					
Gross investments (SEK million)	<b>685</b>	111.3	398.4	364.5	725.0
Number of employees	<b>436</b>	447	492	472	473
Average number of shares	<b>2,969,756</b>	3,415,854	3,663,032	4,058,433	4,217,522

## Definitions

1) Profit/loss after tax in relation to average equity.

2) Profit/loss after financial items plus interest expenses in relation to average total assets less current interest-free operating liabilities.

3) Profit/loss after financial items plus interest expenses in relation to average total assets.

4) Equity in relation to total assets.

\*) Board's proposal



# Income Statement

SEK thousand	Note	GROUP		PARENT COMPANY	
		2005/06	2004/05	2005/06	2004/05
Net sales	1, 26	<b>1,314,316</b>	1,212,409	<b>315,455</b>	292,230
<b>Operating expenses</b>					
Other external costs	3	<b>-738,108</b>	-605,834	<b>-58,800</b>	-82,686
Personnel costs	2, 29	<b>-210,937</b>	-215,676	<b>-23,226</b>	-18,529
Depreciation, vessels	9	<b>-125,152</b>	-143,540	<b>-94,102</b>	-93,846
Depreciation, other tangible and intangible fixed assets	8, 11, 12	<b>-4,695</b>	-4,417	<b>-1,671</b>	-1,573
<b>Total operating expenses</b>		<b>-1,078,892</b>	-969,467	<b>-177,799</b>	-196,634
<b>Operating profit</b>		<b>235,424</b>	242,942	<b>137,656</b>	95,596
<b>Result from financial investments</b>					
Result from participations in group companies	4	<b>15</b>	-	<b>275,967</b>	251,792
Result from participations in associated companies	15, 22	<b>-278</b>	12	<b>-138</b>	-
Result from securities/receivables accounted for as fixed assets	5	<b>1,956</b>	97,812	<b>1,379</b>	-
Other interest income and similar profit/loss items	6	<b>31,087</b>	15,942	<b>27,885</b>	13,670
Interest expenses and similar profit/loss items	7	<b>522</b>	-10,450	<b>-70,263</b>	-636
<b>Total result from financial investments</b>		<b>33,302</b>	103,316	<b>234,830</b>	264,826
<b>Profit/loss after financial items</b>		<b>268,726</b>	346,258	<b>372,486</b>	360,422
<b>Appropriations</b>					
Additional depreciation and depreciation less than plan, vessels				<b>51,550</b>	33,000
Tax	24	<b>-37,435</b>	-39,392	<b>-41,255</b>	-37,771
Minority interests		<b>1,110</b>	27	-	-
<b>NET PROFIT FOR THE YEAR</b>		<b>232,401</b>	306,893	<b>382,781</b>	355,651
<b>Per-share data</b>					
Earnings per share after tax (SEK)		<b>78.26</b>	89.84		
Average number of shares		<b>2,969,756</b>	3,415,854		

# Balance Sheet

ASSETS	Note	GROUP		PARENT COMPANY	
		30-04-06	30-04-05	30-04-06	30-04-05
<i>SEK thousand</i>					
<b>Fixed assets</b>					
<b>Intangible fixed assets</b>	8	17	23	–	–
<b>Tangible fixed assets</b>					
Vessels	9	1,475,572	1,243,728	594,657	688,759
Newbuilding contracts	10	336,553	92,489	336,547	92,489
Land and buildings	11	53,754	54,495	24,999	24,869
Equipment	12	6,323	6,496	1,716	1,957
		<b>1,872,202</b>	1,397,208	<b>957,919</b>	808,074
<b>Financial fixed assets</b>					
Participations in group companies	13			411,343	409,258
Receivables from group companies	14			261,575	112,690
Participations in associated companies	15	–	216	–	56
Other long-term securities	16	1,171	1,186	413	429
Other long-term receivables	17	431	29,025	417	29,011
Deferred tax assets	18	9,896	–	9,896	–
		<b>11,498</b>	30,427	<b>683,644</b>	551,444
<b>Total fixed assets</b>		<b>1,883,717</b>	1,427,658	<b>1,641,563</b>	1,359,518
<b>Current assets</b>					
<b>Inventories</b>					
Finished products and goods for resale		10,993	9,941	–	–
<b>Current receivables</b>					
Accounts receivable – trade		59,649	55,337	10,712	10,722
Other current receivables		162,103	45,248	31,476	37,862
Prepaid expenses and accrued income		29,745	22,326	4,990	9,211
		<b>251,497</b>	122,911	<b>47,178</b>	57,795
<b>Investments</b>		<b>343,698</b>	447,184	<b>343,698</b>	447,184
<b>Cash and bank balances</b>		<b>149,721</b>	148,691	<b>27,178</b>	102,887
<b>Total current assets</b>		<b>755,909</b>	728,727	<b>418,054</b>	607,866
<b>TOTAL ASSETS</b>		<b>2,639,626</b>	2,156,385	<b>2,059,617</b>	1,967,384

## Balance Sheet

LIABILITIES AND EQUITY		GROUP		PARENT COMPANY	
<i>SEK thousand</i>	<i>Note</i>	30-04-06	30-04-05	30-04-06	30-04-05
<b>Equity</b>	19				
<b>Restricted equity</b>					
Share capital		3,370	3,754	3,370	3,754
Restricted reserves		862,980	769,778	2,510	2,126
		<b>866,350</b>	773,532	<b>5,880</b>	5,880
<b>Non-restricted equity</b>					
Non-restricted reserves		208,127	338,793	-136,326	-9,261
Net profit for the year		232,401	306,893	382,781	355,651
		<b>440,528</b>	645,686	<b>246,455</b>	346,390
<b>Total equity</b>		<b>1,306,878</b>	1,419,218	<b>252,335</b>	352,270
<b>Untaxed reserves</b>					
Accumulated additional depreciation, vessels				495,750	547,300
<b>Minority interests</b>					
Minority interests		241	1	-	-
<b>Provisions</b>					
Provisions for pensions		199	209	199	209
Provisions for deferred tax		330,700	283,367	-	-
Other provisions	25	100,635	18,000	-	18,000
<b>Total provisions</b>		<b>431,534</b>	301,576	<b>199</b>	18,209
<b>Long-term liabilities</b>					
Liabilities to credit institutions	20	674,505	169,983	541,387	78,458
Liabilities to group companies	21			626,790	816,339
Liabilities to associated companies	22	-	169	-	40
Other long-term liabilities		6,722	6,962	6,722	6,962
<b>Total long-term liabilities</b>		<b>681,227</b>	177,114	<b>1,174,899</b>	901,799
<b>Current liabilities</b>					
Liabilities to credit institutions		46,356	86,394	34,461	9,174
Advance payments from customers		522	694	522	694
Accounts payable – trade		65,335	54,248	4,559	4,070
Liabilities to group companies				71,355	115,450
Tax liabilities		194	103	-	-
Other liabilities		10,822	34,101	4,183	714
Accrued expenses and deferred income	23	96,517	82,936	21,354	17,704
<b>Total current liabilities</b>		<b>219,746</b>	258,476	<b>136,434</b>	147,806
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>2,639,626</b>	2,156,385	<b>2,059,617</b>	1,967,384
<b>Pledged assets and contingent liabilities</b>					
Pledged assets	27	831,257	396,865	660,632	194,137
Contingent liabilities	28	-	-	137,436	78,257

# Cash flow statement

SEK thousand	Note	GROUP		PARENT COMPANY	
		2005/06	2004/05	2005/06	2004/05
<b>Operating activities</b>					
Profit/loss after financial items		<b>268,726</b>	346,258	<b>372,486</b>	360,422
Adjustment for items not included in cash flow					
Depreciation		<b>129,847</b>	147,957	<b>95,773</b>	95,418
Other items not affecting liquidity		<b>42,185</b>	-97,003	<b>10,494</b>	-290,710
		<b>440,758</b>	397,212	<b>478,753</b>	165,130
Tax paid		<b>-7,182</b>	-10,779	<b>100</b>	-9,600
<b>Cash flow from operating activities before change in working capital</b>		<b>433,576</b>	386,433	<b>478,853</b>	155,530
Change in working capital					
Change in inventories		<b>-1,052</b>	-942	-	-
Change in receivables		<b>-128,582</b>	-1,984	<b>8,784</b>	-7,987
Change in current liabilities		<b>1,217</b>	-16,906	<b>-45,749</b>	11,783
<b>Cash flow from operating activities</b>		<b>305,159</b>	366,601	<b>441,888</b>	159,326
<b>Investing activities</b>					
Acquisition of vessels and newbuilding contracts	9, 10	<b>-597,379</b>	-87,880	<b>-597,916</b>	-96,719
Acquisition of other tangible and intangible fixed assets	11, 12	<b>-3,794</b>	-23,410	<b>182</b>	-1,188
Sale of other tangible fixed assets		<b>5,673</b>	307	<b>-832</b>	121
Change in financial fixed assets		<b>53,027</b>	151,838	<b>23,964</b>	23,832
<b>Cash flow from investing activities</b>		<b>-542,473</b>	40,855	<b>-574,602</b>	-73,954
<b>Financing activities</b>					
Advances from minority interests		<b>1,350</b>	28	-	-
Loans raised		<b>553,844</b>	6,270	<b>500,000</b>	6,461
Repayment of liabilities		<b>-75,595</b>	-35,488	<b>-10,270</b>	-12,270
Change in inter-company balances		-	-	<b>-191,470</b>	329,878
Dividend to shareholders		<b>-8,741</b>	-7,256	<b>-8,741</b>	-7,256
Buy-back of shares		<b>-336,000</b>	-28,396	<b>-336,000</b>	-28,396
<b>Cash flow from financing activities</b>		<b>134,858</b>	-64,842	<b>-46,481</b>	288,417
Change in liquid assets		<b>-102,456</b>	342,614	<b>-179,195</b>	373,789
Liquid assets at start of year		<b>595,875</b>	253,261	<b>550,071</b>	176,282
<b>Liquid assets at end of year</b>		<b>493,419</b>	595,875	<b>370,876</b>	550,071

# Accounting Principles

## General accounting principles

The annual accounts have been prepared in accordance with the Swedish Annual Accounts Act and the general advice of the Swedish Accounting Standards Board. Where the reporting also follows the recommendations of the Swedish Financial Accounting Standards Council, this is mentioned under the various headings below. The application of the accounting principles and provision of information in the notes to the accounts are unchanged from last year.

## Valuation principles etc

Assets, provisions and liabilities have been valued at cost unless otherwise stated below.

## Receivables and liabilities in foreign currencies

Receivables and liabilities in foreign currencies at the parent company and Swedish group companies have been translated at the year-end rate, with the following exceptions. Loans raised for financing vessels have been recorded at the rate applicable on the transaction date, since investments in vessels are considered to be an effective hedge against exchange rate fluctuations.

## Consolidated accounts

The consolidated accounts have been prepared in accordance with the Swedish Financial Accounting Standards Council's recommendation RR1:00 "Consolidated financial statements". The consolidated accounts comprise the parent company and the companies in which Rederi AB Gotland directly or indirectly holds more than 50 per cent of the voting rights (group companies).

As the annual accounts have been prepared in accordance with the Swedish Financial Accounting Standards Council's recommendation on consolidated accounting, appropriations and untaxed reserves are not shown in the consolidated accounts but are divided between equity and deferred tax liabilities.

The consolidated accounts have been prepared in accordance with the acquisition accounting method, whereby the equity in group companies on the acquisition date is fully eliminated.

This procedure means that only earnings after the acquisition date are included in the group's equity.

All inter-company gains are eliminated.

## Accounting for participations in associated companies

Participations in associated companies are reported in accordance with the Swedish Financial Accounting Standards Council's recommendation RR13 "Associated companies". The equity method is used where the parent company directly or indirectly holds between 20 per cent and 50 per cent of the voting rights. This means that shares are shown at cost, increased or reduced by the value of the group's share of the results of the associated company. This is a partial consolidation, where capital value and results are shown as separate items, in contrast to subsidiaries, whose income statements and balance sheets are fully consolidated.

In the parent company accounts, participations in associated companies are carried at cost. Only distributions of post-acquisition earnings are reported as income from associated companies.

## Translation of foreign subsidiaries

Foreign subsidiaries are reported in accordance with the Swedish Financial Accounting Standards Council's recommendation RR8 "Reporting the effects of changes in exchange rates". The monetary/non-monetary method has been used when translating the accounts of foreign group and associated companies. This means that balance sheets are translated at the rate on the transaction date, except monetary items, which are translated at the year-end rate. Income statements are translated at the average rate for the year, except depreciation, which is translated at the rate on the transaction date for each asset.

## Income taxes

Taxes are reported in accordance with the Swedish Accounting Standards Board's guidelines BFNAR 2001:1. Reported income taxes include tax that is to be paid or received in respect of the current year, adjustments to tax in respect of previous years, changes in deferred tax, and a share of associated companies' tax.

## Receivables

Receivables are carried at the amount expected to be paid considered on a case-by-case basis.

## Inventories

Inventories are reported in accordance with the Swedish Financial Accounting Standards Council's recommendation RR2:02 "Inventories". Inventories are carried at the lower of cost and net realisable value on the balance sheet date on a first-in/first-out basis.

## Fixed assets

Fixed assets are reported in accordance with the Swedish Financial Accounting Standards Council's recommendations RR12 "Tangible fixed assets" and RR15 "Intangible fixed assets". Interest on capital borrowed to finance the production of an asset is not included in the cost of the asset.

All types of fixed asset are depreciated/amortised on a straight-line basis. For the depreciation/amortisation periods applied, see the relevant notes.

## Leases

Leases are reported in accordance with the Swedish Financial Accounting Standards Council's recommendation RR6:99 "Leases". All leases are treated as operating leases.

## Cash flow statement

The cash flow statement has been prepared in accordance with the Swedish Financial Accounting Standards Council's recommendation RR7 "Reporting cash flows". The cash flow statement has been prepared using the indirect method. The cash flow reported includes only transactions that involve inward or outward payments. Liquid assets are classified as bank balances plus current financial investments.

# Notes to the Consolidated and Parent Company Accounts

Amounts in SEK thousand unless otherwise stated

## Note 1 NET SALES BY SEGMENT

	GROUP		PARENT COMPANY	
	2005/06	2004/05	2005/06	2004/05
Shipping operations	1,261,513	1,162,786	269,608	246,402
Travel agency operations	39,110	41,750	39,110	41,750
Other	13,693	7,873	6,737	4,078
<b>Total</b>	<b>1,314,316</b>	<b>1,212,409</b>	<b>315,455</b>	<b>292,230</b>

## Note 2 PERSONNEL COSTS AND PAYMENTS TO BOARD AND MANAGEMENT

### Salaries, other remuneration and social security contributions

	2005/06		2004/05	
	Salaries and other remuneration	Social security contributions	Salaries and other remuneration	Social security contributions
Parent company	13,455	7,990	11,104	6,797
Of which pension costs 1)		2,896		2,532
Group companies	135,890	61,380	139,203	69,823
Of which pension costs 2)		13,298		16,549
<b>Group total</b>	<b>149,345</b>	<b>69,370</b>	<b>150,307</b>	<b>76,620</b>

1) Of the parent company's pension costs, SEK 1,122,000 (1,252,000) refer to the board and managing director. The company has no outstanding pension commitments to these officers, either this year or last year.

2) Of the group's pension costs, SEK 1,826,000 (1,501,000) refer to the board and managing director. The company has no outstanding pension commitments to these officers, either this year or last year.

### Salaries and other remuneration divided between the board/managing director and other employees

	2005/06		2004/05	
	Board and MD	Other employees	Board and MD	Other employees
Parent company	3,042	10,413	3,115	7,989
Group companies in Sweden	1,758	130,606	1,723	132,682
Group companies abroad	360	3,166	1,020	3,778
<b>Group total</b>	<b>5,160</b>	<b>144,185</b>	<b>5,858</b>	<b>144,449</b>

Remuneration of SEK 1,606,000 (1,504,000) including car benefits was paid to the chairman Jan-Eric Nilsson. His pension costs amounted to SEK 527,000 (586,000).

The managing director of the parent company Jan-Erik Rosengren received salary and car benefits worth SEK 1,028,000 (1,076,000). His pension costs amounted to SEK 595,000 (666,000). In the event of notice from the company's side, the managing director and chairman have a period of notice of 12 months and the right to severance payments equivalent to 12 months' salary. Law firms in which members of the board are partners were paid the following fees:

Advokatfirman Bill Andréasson SEK 161,000 (336,000) and Advokatfirman Södermark (Peter J Lindskog) SEK 825,000 (797,000). The three (three) officers classified as "other senior executives" received total payments of SEK 2,819,000 (2,587,000). These officers are entitled to pension benefits in accordance with the general pension plan and a period of notice in accordance with the law and collective agreements.

The remuneration of the managing director and chairman is prepared by the remuneration committee and determined by the board.

The remuneration of other senior executives is prepared by the managing director and determined by the remuneration committee.

Fees for consultancy and brokerage assignments of SEK 381,000 (580,000) were paid to Gotland Marine Sa, which is controlled by Eric D Nilsson. The board also approved the payment of broker's commission for the company's newbuildings from the shipyard to Gotland Marine.

## Notes to the Consolidated and Parent Company Accounts

### Note 3 OTHER EXTERNAL COSTS

The following remuneration has been paid to the company's auditors:

	GROUP		PARENT COMPANY	
	2005/06	2004/05	2005/06	2004/05
<i>Bengt Ericson Revision AB</i>				
Audit	1,286	1,161	939	918
Other	-	-	-	-
<i>Öhrlings PricewaterhouseCoopers</i>				
Audit	49	565	49	565
Other	4	364	4	364
<i>Others</i>				
Audit	52	3	-	-
<b>Total</b>	<b>1,391</b>	<b>2,093</b>	<b>992</b>	<b>1,847</b>

### Note 4 RESULT FROM PARTICIPATIONS IN GROUP COMPANIES

	GROUP		PARENT COMPANY	
	2005/06	2004/05	2005/06	2004/05
Dividends			275,967	251,792
Sale of minority interest	15	-	-	-
<b>Total</b>	<b>15</b>	<b>-</b>	<b>275,967</b>	<b>251,792</b>

### Note 5 RESULT FROM SECURITIES AND RECEIVABLES ACCOUNTED FOR AS FIXED ASSETS

	GROUP		PARENT COMPANY	
	2005/06	2004/05	2005/06	2004/05
Dividends	637	-	60	-
Gains/losses on disposals	1,319	97,812	1,319	-
<b>Total</b>	<b>1,956</b>	<b>97,812</b>	<b>1,379</b>	<b>-</b>

### Note 6 OTHER INTEREST INCOME AND SIMILAR PROFIT/LOSS ITEMS

	GROUP		PARENT COMPANY	
	2005/06	2004/05	2005/06	2004/05
Other interest income	14,483	11,341	11,320	9,014
Exchange rate differences	16,604	4,601	16,565	4,656
<b>Total</b>	<b>31,087</b>	<b>15,942</b>	<b>27,885</b>	<b>13,670</b>

### Note 7 INTEREST EXPENSES AND SIMILAR PROFIT/LOSS ITEMS

	GROUP		PARENT COMPANY	
	2005/06	2004/05	2005/06	2004/05
Interest expenses, group companies			-24,415	-37,199
Interest expenses, other	-12,487	-4,479	-9,977	-2,278
Exchange rate differences	13,009	-5,971	-35,871	38,841
<b>Total</b>	<b>522</b>	<b>-10,450</b>	<b>-70,263</b>	<b>-636</b>

### Note 8 INTANGIBLE FIXED ASSETS

Goodwill arising from the acquisition of subsidiaries is written off over five years.

#### Goodwill

	GROUP	
	30-04-06	30-04-05
<b>Cost</b>		
At start of year	1,581	1,581
<b>Amortisation according to plan</b>		
At start of year	-1,558	-1,552
Amortisation for year according to plan	-6	-6
	<b>-1,564</b>	<b>-1,558</b>
Net book value at year-end	<b>17</b>	<b>23</b>

## Notes to the Consolidated and Parent Company Accounts

### Note 9 VESSELS

Depreciation according to plan for product tankers and conventional ferries is based on an economic life of 20 years from the year of construction. Vessels acquired at more than 20 years of age are depreciated over their economic life starting from the time of acquisition. The exceptions to this rule are the high-speed ferries M/S Visby, M/S Gotland, HSC Gotlandia and HSC Gotlandia II, which are being written off over ten years.

	GROUP		PARENT COMPANY	
	30-04-06	30-04-05	30-04-06	30-04-05
<b>Cost</b>				
At start of year	<b>2,074,140</b>	2,078,086	<b>1,335,109</b>	1,330,879
Additions	<b>437,305</b>	4,913	-	4,230
Disposals	<b>-109,853</b>	-8,859	-	-
	<b>2,401,592</b>	2,074,140	<b>1,335,109</b>	1,335,109
<b>Depreciation according to plan</b>				
At start of year	<b>-821,085</b>	-695,731	<b>-646,350</b>	-552,504
Disposals	<b>20,217</b>	8,859	-	-
Depreciation for year according to plan	<b>-125,152</b>	-134,213	<b>-94,102</b>	-93,846
	<b>-926,020</b>	-821,085	<b>-740,452</b>	-646,350
<b>Writedowns</b>				
At start of year	<b>-9,327</b>	-	-	-
Writedowns for year	-	-9,327	-	-
Disposals	<b>9,327</b>	-	-	-
	-	-9,327	-	-
<b>Net book value at year-end</b>	<b>1,475,572</b>	1,243,728	<b>594,657</b>	688,759

#### Group

Of the total balance sheet item of SEK 1,475,572,000 (1,243,728,000), operating leases account for SEK 96,991,000 (98,579,000).

#### Parent company

Of the total balance sheet item of SEK 594,657,000 (688,759,000), operating leases account for SEK 594,657,000 (688,759,000).

### Note 10 NEWBUILDING CONTRACTS, VESSELS AND BUILDINGS

	GROUP		PARENT COMPANY	
	30-04-06	30-04-05	30-04-06	30-04-05
At start of year	<b>92,489</b>	9,522	<b>92,489</b>	-
Payments on newbuilding contracts	<b>281,407</b>	92,489	<b>281,401</b>	92,489
Reclassification of completed vessels/hotels	<b>-37,343</b>	-9,522	<b>-37,343</b>	-
<b>Newbuilding contracts at year-end</b>	<b>336,553</b>	92,489	<b>336,547</b>	92,489

The HSC Gotlandia II was completed at the end of the financial year. The vessel was sold by the parent company on completion to the subsidiaries Rederi AB Ljugarn and Rederi AB Sudersand at a gain of SEK 14,509,000 million. This gain has been recognised under net sales in the parent company income statement.

### Note 11 BUILDINGS AND LAND

Depreciation according to plan on buildings is calculated per building within the scope of depreciation for tax purposes.

	GROUP		PARENT COMPANY	
	30-04-06	30-04-05	30-04-06	30-04-05
<b>Cost</b>				
At start of year	<b>73,225</b>	53,434	<b>39,319</b>	39,319
Additions	<b>1,168</b>	19,791	<b>1,168</b>	-
<b>Total</b>	<b>74,393</b>	73,225	<b>40,487</b>	39,319
<b>Depreciation according to plan</b>				
At start of year	<b>-18,969</b>	-17,208	<b>-14,689</b>	-13,681
Depreciation for year according to plan	<b>-1,902</b>	-1,761	<b>-1,031</b>	-1,008
<b>Total</b>	<b>-20,871</b>	-18,969	<b>-15,720</b>	-14,689
<b>Revaluations</b>				
At start of year	<b>239</b>	246	<b>239</b>	246
Depreciation for year according to plan	<b>-7</b>	-7	<b>-7</b>	-7
<b>Total</b>	<b>232</b>	239	<b>232</b>	239
<b>Net book value at year-end</b>	<b>53,754</b>	54,495	<b>24,999</b>	24,869
Value assessed for tax purposes, buildings	<b>40,642</b>	40,642	<b>26,608</b>	26,608
Value assessed for tax purposes, land	<b>12,464</b>	12,388	<b>8,587</b>	8,511



## Notes to the Consolidated and Parent Company Accounts

### Note 12 EQUIPMENT

Depreciation according to plan on equipment, tools, fixtures and fittings is calculated at 20 per cent per annum of their historical cost.

	GROUP		PARENT COMPANY	
	30-04-06	30-04-05	30-04-06	30-04-05
<b>Cost</b>				
At start of year	<b>27,725</b>	31,311	<b>7,267</b>	7,873
Additions	<b>2,626</b>	3,619	<b>400</b>	1,188
Disposals	<b>-834</b>	-7,205	<b>-442</b>	-1,794
	<b>29,517</b>	27,725	<b>7,225</b>	7,267
<b>Depreciation according to plan</b>				
At start of year	<b>-21,229</b>	-25,484	<b>-5,310</b>	-6,538
Disposals	<b>815</b>	6,898	<b>434</b>	1,786
Depreciation for year according to plan	<b>-2,780</b>	-2,643	<b>-633</b>	-558
	<b>-23,194</b>	-21,229	<b>-5,509</b>	-5,310
<b>Net book value at year-end</b>	<b>6,323</b>	6,496	<b>1,716</b>	1,957

### Note 13 PARTICIPATIONS IN GROUP COMPANIES

	PARENT COMPANY	
	30-04-06	30-04-05
Cost at start of year	<b>409,258</b>	408,846
Additions	<b>2,200</b>	442
Disposals	<b>-115</b>	-30
<b>Net book value at year-end</b>	<b>411,343</b>	409,258

#### Specification of parent company's holdings of shares and participations in group companies

	Corporate identity no.	Head office	Number	Book value	Share of equity and votes (%)
<b>Swedish group companies</b>					
Destination Gotland AB	556038-2342	Gotland	5,000	<b>5,389</b>	100
Fastighets AB Kopparsvik	556141-1009	Gotland	500	<b>2,507</b>	100
Gotlandsbolaget AB	556643-7850	Gotland	1,000	<b>100</b>	100
Rederi AB Torsburgen	556570-5869	Gotland	1,000	<b>100</b>	100
Rederi AB Gute	556021-0741	Gotland	10,000	<b>1,231</b>	100
Rederi AB Ljugarn	556669-5903	Gotland	1,000	<b>100</b>	100
Rederi AB Våndburg	556496-2222	Gotland	1,000	<b>550</b>	100
Gamla Wisby Bryggeri AB	556035-4341	Gotland	4,320	<b>1,311</b>	100
Rederi AB Klintehamn	556683-3686	Gotland	1,000	<b>100</b>	100
Gotland Promotion AB	556496-2214	Gotland	550	<b>1,605</b>	55
Dormant companies				<b>512</b>	
				<b>13,505</b>	
<b>Foreign group companies</b>					
Gotland Shipping AG		Switzerland	56,600	<b>397,361</b>	100
Thjelvar AS		Norway	100,000	<b>135</b>	100
Gotland Steamship Company (Bahamas) Ltd		Bahamas	-	-	100
AM Shipping Limited		Bahamas	-	-	100
HM Shipping Limited		Bahamas	-	-	100
Dormant companies			-	<b>342</b>	100
<b>Total group companies</b>				<b>411,343</b>	

### Note 14 RECEIVABLES FROM GROUP COMPANIES

	PARENT COMPANY	
	30-04-06	30-04-05
At start of year	<b>112,690</b>	248,042
Additional receivables	<b>173,968</b>	9,472
Receivables settled	<b>-25,083</b>	-144,824
<b>Net book value at year-end</b>	<b>261,575</b>	112,690

### Note 15 PARTICIPATIONS IN ASSOCIATED COMPANIES

	GROUP		PARENT COMPANY	
	30-04-06	30-04-05	30-04-06	30-04-05
Cost at start of year	<b>216</b>	216	<b>56</b>	56
Disposals and retirements	<b>459</b>	-	<b>-56</b>	-
Dividends from associated companies	<b>-675</b>	-	-	-
<b>Net book value at year-end</b>	-	216	-	56

## Notes to the Consolidated and Parent Company Accounts

### Note 16 OTHER LONG-TERM SECURITIES

	GROUP		PARENT COMPANY	
	30-04-06	30-04-05	30-04-06	30-04-05
At start of year	1,186	22,018	429	429
Disposals	-15	-20,832	-16	-
<b>Net book value at year-end</b>	<b>1,171</b>	<b>1,186</b>	<b>413</b>	<b>429</b>

#### Specification of other long-term securities

	Corporate identity no.	Head office	Number	Book value	Share of equity and votes (%)
AB Gotlands Stuveri	556019-6429	Gotland	1,632	297	31
Other shares and participations				<b>116</b>	
<b>Total parent company</b>				<b>413</b>	
A/S Dampskibsselskabet TORM		Denmark	20,000	717	
Other shares and participations				<b>41</b>	
<b>Total group</b>				<b>1,171</b>	

### Note 17 OTHER LONG-TERM RECEIVABLES

	GROUP		PARENT COMPANY	
	30-04-06	30-04-05	30-04-06	30-04-05
At start of year	29,025	57,618	29,011	58,387
Receivables settled	-28,594	-28,593	-28,594	-29,376
<b>Net book value at year-end</b>	<b>431</b>	<b>29,025</b>	<b>417</b>	<b>29,011</b>

### Note 18 DEFERRED TAX ASSETS

	GROUP		PARENT COMPANY	
	30-04-06	30-04-05	30-04-06	30-04-05
Additional receivables	9,896	-	9,896	-

### Note 19 EQUITY

#### Share capital

Class of share	Number	Nominal value (SEK)
A free (SEK 1 nominal)	1,818,419	1,818,419
B free (SEK 1 nominal)	951,337	951,337
C free (SEK 1 nominal)	600,000	600,000
<b>Total</b>	<b>3,369,756</b>	<b>3,369,756</b>

#### Movements in equity

There were the following movements in the equity of the group and parent company during the year:

GROUP	Share capital	Restricted reserves	Non-restricted reserves	Net profit for the year	Total
Opening equity	3,754	769,778	338,793	306,893	1,419,218
Transfer of previous year's profit			306,893	-306,893	-
Buy-back of own shares			-336,000		-336,000
Reduction in share capital	-384	384			-
Transfer between restricted and non-restricted equity		92,818	-92,818		-
Dividends			-8,741		-8,741
Net profit for the year				-232,401	232,401
<b>Total equity</b>	<b>3,370</b>	<b>862,980</b>	<b>208,127</b>	<b>232,401</b>	<b>1,306,878</b>

## Notes to the Consolidated and Parent Company Accounts

<b>PARENT COMPANY</b>	<b>Share capital</b>	<b>Restricted reserves</b>	<b>Non-restricted reserves</b>	<b>Net profit for the year</b>	<b>Total</b>
Opening equity	3,754	2,126	-9,261	355,651	352,270
Transfer of previous year's profit			355,651	-355,651	-
Redemption of own shares			-336,000		-336,000
Reduction in share capital	-384	384			-
Dividends			-8,741		-8,741
Group contributions			-183,053		-183,053
Tax effects, group contributions			51,255		51,255
Shareholder contributions made			-6,177		-6,177
Net profit for the year				382,781	382,781
<b>Total equity</b>	<b>3,370</b>	<b>2,510</b>	<b>-136,326</b>	<b>382,781</b>	<b>252,335</b>

### Note 20 LIABILITIES TO CREDIT INSTITUTIONS

	<b>GROUP</b>		<b>PARENT COMPANY</b>	
	<b>30-04-06</b>	30-04-05	<b>30-04-06</b>	30-04-05
Due date 1-5 years from accounting year-end	205,859	94,074	148,282	48,282
Due date over 5 years from accounting year-end	468,646	75,909	393,105	30,176
<b>Total</b>	<b>674,505</b>	169,983	<b>541,387</b>	78,458

Of the group's liabilities to credit institutions, SEK 146,470,000 (169,983,000) is denominated in USD, SEK 475,000,000 in SEK, and the remainder in EUR. Of the parent company's liabilities to credit institutions, SEK 66,387,000 (78,458,000) is denominated in USD and the remainder in SEK.

### Note 21 LIABILITIES TO GROUP COMPANIES

	<b>PARENT COMPANY</b>	
	<b>30-04-06</b>	30-04-05
At start of year	816,339	758,752
Additional liabilities	78,620	871,902
Liabilities settled	-268,169	-778,628
Exchange rate and translation differences for year	-	-35,687
<b>Net book value at year-end</b>	<b>626,790</b>	816,339

These liabilities fall due for payment on demand.

### Note 22 LIABILITIES TO ASSOCIATED COMPANIES

	<b>GROUP</b>		<b>PARENT COMPANY</b>	
	<b>30-04-06</b>	30-04-05	<b>30-04-06</b>	30-04-05
At start of year	169	160	40	40
Additional liabilities	-	21	-	-
Liabilities settled	-175	-	-40	-
Exchange differences for year	6	-12	-	-
<b>Net book value at year-end</b>	<b>-</b>	169	<b>-</b>	40

### Note 23 ACCRUED EXPENSES AND DEFERRED INCOME

	<b>GROUP</b>		<b>PARENT COMPANY</b>	
	<b>30-04-06</b>	30-04-05	<b>30-04-06</b>	30-04-05
Accrued personnel costs	35,419	31,922	5,151	4,128
Accrued interest	6,593	3,242	5,540	1,498
Prepaid shipping and travel agency income	38,129	28,522	5,482	5,084
Other accrued expenses	16,376	19,250	5,181	6,994
<b>Total</b>	<b>96,517</b>	82,936	<b>21,354</b>	17,704

## Notes to the Consolidated and Parent Company Accounts

### Note 24 TAX

	GROUP		PARENT COMPANY	
	2005/06	2004/05	2005/06	2004/05
Current tax for year	-7,371	-1,240	-	-870
Current tax relating to previous years	98	-1	102	2
Tax attributable to group contributions	-	-	-51,253	-36,119
Reversal of deferred tax assets	-	-784	-	-784
Deferred tax liabilities	-30,162	-37,367	9,896	-
<b>Year's tax charge</b>	<b>-37,435</b>	<b>-39,392</b>	<b>-41,255</b>	<b>-37,771</b>

### Note 25 OTHER PROVISIONS

The other provisions of SEK 100,635,000 (18,000,000) relate to claims for compensation brought against the group and to a number of the group's disputed receivables.

### Note 26 RELATED PARTY TRANSACTIONS

#### Transactions with group companies as a percentage of the year's sales and expenses

	PARENT COMPANY	
	2005/06	2004/05
Sales of internal services	76%	75%

### Note 27 PLEDGED ASSETS TO CREDIT INSTITUTIONS

	GROUP		PARENT COMPANY	
	30-04-06	30-04-05	30-04-06	30-04-05
Property mortgages	7,860	7,860	7,860	7,860
Vessel mortgages	810,151	350,719	644,526	152,991
Floating charges	6,825	6,825	1,825	1,825
Bank balances	6,421	31,461	6,421	31,461
<b>Total</b>	<b>831,257</b>	<b>396,865</b>	<b>660,632</b>	<b>194,137</b>

### Note 28 CONTINGENT LIABILITIES

	GROUP		PARENT COMPANY	
	2005/06	2004/05	2005/06	2004/05
Guarantees on behalf of subsidiaries and associated companies	-	-	137,436	78,257

### Note 29 AVERAGE NUMBER OF EMPLOYEES ETC

#### Number of employees

	GROUP		PARENT COMPANY	
	2005/06	2004/05	2005/06	2004/05
<i>Average number employed in Sweden</i>				
Women	181	187	13	13
Men	234	244	7	9
<i>Average number employed abroad</i>				
Women	2	2	-	-
Men	19	14	5	1
<b>Total</b>	<b>436</b>	<b>447</b>	<b>25</b>	<b>23</b>

#### Board members and senior executives

	GROUP		PARENT COMPANY	
	30-04-06	30-04-05	30-04-06	30-04-05
<i>Board members</i>				
Women	2	3	1	1
Men	23	27	9	9
<i>Managing directors and other senior executives</i>				
Women	1	1	1	1
Men	3	3	2	2

#### Sickness absence

Sickness absence is reported as a percentage of employees' ordinary working hours.

No further breakdown is possible as the information could then be traced back to the individuals concerned.

	PARENT COMPANY	
	2005/06	2004/05
Total sickness absence	1.14%	2.34%
Women	1.76%	2.82%
Men	0.49%	1.66%

Visby, 15 June 2006

Jan-Eric Nilsson  
*Chairman*

Ann-Marie Åström  
*Vice-chairman*

Bill Andréasson

Christer Bergquist

Björn Jernbom

Peter J. Lindskog

Björn Nilsson

Peter Skoglund

Björn Wolrath

Jonas Åman

Jan-Erik Rosengren  
*Managing director*

## Auditors' Report

**To the annual general meeting of the shareholders of Rederi AB Gotland (publ), corporate identity number 556000-8020**

We have audited the annual report, the consolidated accounts, the accounting records, and the administration by the board of directors and the managing director of Rederi AB Gotland (publ) for the financial year 1 May 2005 to 30 April 2006. The board of directors and the managing director are responsible for the accounting records and the administration and for applying the Swedish Annual Accounts Act in the preparation of the annual report and the consolidated accounts. Our responsibility is to express an opinion on the annual report, the consolidated accounts and the administration on the basis of our audit.

The audit was conducted in accordance with generally accepted auditing standards in Sweden. This means that we planned and performed the audit to obtain reasonable but not complete assurance that the annual report and the consolidated accounts do not contain material errors. An audit includes examination, on a test basis, of evidence supporting the amounts and disclosures in the accounting records. An audit also includes an assessment of the accounting principles and their application by the board of directors and the managing director, an assessment of significant estimates made by the board of directors and the managing director when preparing the annual report and the consolidated accounts, and an evaluation of the overall presentation of information in the annual report and the consolidated accounts.

As a basis for our opinion on discharge from liability, we have examined important decisions, actions taken and circumstances in the company, in order to assess whether any member of the board or the managing director is liable to pay compensation to the company. We have also examined whether any member of the board or the managing director has in some other way acted in contravention of the Swedish Companies Act, the Swedish Annual Accounts Act or the company's articles of association. We consider that our audit provides a reasonable basis for our opinions below.

The annual report and the consolidated accounts have been prepared in accordance with the Swedish Annual Accounts Act, and provide a true and fair view of the company's results and financial position in accordance with generally accepted accounting principles in Sweden. The administration report is consistent with the rest of the annual report and the consolidated accounts.

We recommend to the annual general meeting of shareholders that the income statement and the balance sheet for the parent company and the group be adopted, the profit of the parent company be appropriated in accordance with the proposal in the administration report, and the board of directors and the managing director be discharged from liability for the financial year.

Stockholm, 22 June 2006

Bengt Ericson  
*Authorised public accountant*

Auditor to the company since 1979  
Bengt Ericson Revision AB

Öhrlings PricewaterhouseCoopers

Ulf Pettersson  
*Authorised public accountant*  
Auditor to the company since 2005

# Vessels and Charterers



## M/S GOTLAND

Chartered by Destination Gotland AB.  
Employed on Visby-Nynäshamn/Oskarshamn.

<b>Built</b>	2003 at Guangzhou Shipyard International Co Ltd (GSI), China
<b>Length overall</b>	196 m
<b>Breadth</b>	25.67 m
<b>Draught</b>	6.41 m
<b>Gross tonnage</b>	29,746
<b>Net tonnage</b>	9,505
<b>Deadweight</b>	5,258 tons
<b>Speed</b>	28 knots
<b>Vessel type</b>	Ro-Pax ferry
<b>Passenger capacity</b>	1,500
<b>Seats</b>	1,524
<b>Cabins</b>	112 cabins, 300 berths
<b>Cargo capacity</b>	500 cars or 1,800 linear metres of trailers
<b>Class</b>	LR, +100A1, IWS, LI, Ice Class 1A, +LMC, UMS, NAV, IBS



## M/S VISBY

Chartered by Destination Gotland AB.  
Employed on Visby-Nynäshamn/Oskarshamn.

<b>Built</b>	2003 at Guangzhou Shipyard International Co Ltd (GSI), China
<b>Length overall</b>	196 m
<b>Breadth</b>	25.67 m
<b>Draught</b>	6.41 m
<b>Gross tonnage</b>	29,746
<b>Net tonnage</b>	9,505
<b>Deadweight</b>	5,258 tons
<b>Speed</b>	28 knots
<b>Vessel type</b>	Ro-Pax ferry
<b>Passenger capacity</b>	1,500
<b>Seats</b>	1,524
<b>Cabins</b>	112 cabins, 300 berths
<b>Cargo capacity</b>	500 cars or 1,800 linear metres of trailers
<b>Class</b>	LR, +100A1, IWS, LI, Ice Class 1A, +LMC, UMS, NAV, IBS



## HSC GOTLANDIA

Chartered by Destination Gotland AB.  
Employed on Visby-Nynäshamn/Oskarshamn.

<b>Built</b>	1999 at Alstom Leroux Naval, Lorient, France
<b>Length overall</b>	112.50 m
<b>Breadth</b>	16.10 m
<b>Moulded depth to deck 3</b>	5.40 m
<b>Gross tonnage</b>	5,632
<b>Net tonnage</b>	1,689
<b>Deadweight</b>	450 tons
<b>Speed</b>	32 knots
<b>Vessel type</b>	Single-hulled high-speed craft, HSC B
<b>Passenger capacity</b>	700
<b>Seats</b>	700
<b>Cargo capacity</b>	140 cars
<b>Class</b>	LR, +100A1, SSC Passenger (B), Mono, HSC, LDC, G3, IBS NAV, +LMC, UMS, Ice Strengthened



## HSC GOTLANDIA II

Chartered by Destination Gotland AB.  
Employed on Visby-Nynäshamn/Oskarshamn.

<b>Built</b>	2006 at Fincantieri, Riva Trigoso/Genoa, Italy
<b>Length overall</b>	122 m
<b>Breadth</b>	16.65 m
<b>Draught</b>	3.3 m
<b>Deadweight</b>	580 tons
<b>Speed</b>	35 knots
<b>Vessel type</b>	Single-hulled high-speed craft, HSC B
<b>Passenger capacity</b>	780
<b>Seats</b>	780
<b>Cargo capacity</b>	160 cars
<b>Class</b>	LR, +100A1, SSC Passenger (B), Mono, HSC, LDC, G3, IBS NAV, +LMC, UMS, Ice Strengthened

# Vessels and Charterers



**M/S THJELVAR** (name changed to M/S Color Traveller)  
Chartered by Color Line AS.  
Employed on Larvik-Hirtshals.

<b>Built</b>	1981 at OY Wärtsilä AB, Helsinki, Finland
<b>Refitted</b>	1997
<b>Length overall</b>	140.80 m
<b>Breadth</b>	22.70 m
<b>Draught</b>	5.25 m/4.95 m
<b>Gross tonnage</b>	17,046
<b>Net tonnage</b>	7,729
<b>Deadweight</b>	3,347 tons as one-compartment vessel 2,501 tons as two-compartment vessel
<b>Speed</b>	19 knots
<b>Vessel type</b>	Ro-Pax ferry
<b>Passenger capacity</b>	1,536
<b>Seats</b>	1,330
<b>Cabins</b>	79 cabins, 316 berths
<b>Cargo capacity</b>	450 cars or 1,150 linear metres of trailers
<b>Class</b>	DNV, +1A1, Car Ferry A, MCDK, EO, Ice-1A



**M/S GUTE**  
Chartered by Sea Wind Line.

<b>Built</b>	1979 at Falkenbergs varv, Falkenberg, Sweden
<b>Length overall</b>	138.70 m
<b>Breadth</b>	16.90 m
<b>Draught</b>	4.32 m/3.42 m
<b>Gross tonnage</b>	7,616
<b>Net tonnage</b>	2,285
<b>Deadweight</b>	1,896 tons as two-compartment vessel 2,288 tons as one-compartment vessel
<b>Speed</b>	15 knots
<b>Vessel type</b>	Ro-Pax ferry
<b>Passenger capacity</b>	66 as two-compartment vessel 86 as one-compartment vessel
<b>Seats</b>	48
<b>Cabins</b>	19 cabins, 64 berths
<b>Cargo capacity</b>	895 linear metres of trailers
<b>Class</b>	LR, +100A1, +LMC, UMS, Ice Class 1A



**M/S HOBURGEN**  
Chartered by Svenska Orient Linien.

<b>Built</b>	1985 at Santierul Naval Shipyard, Galatzi, Romania
<b>Length overall</b>	121.48 m
<b>Breadth</b>	21.00 m
<b>Draught</b>	5.30 m
<b>Gross tonnage</b>	9,080
<b>Net tonnage</b>	2,724
<b>Deadweight</b>	4,818 tons
<b>Speed</b>	14 knots
<b>Vessel type</b>	Ro-Ro vessel
<b>Passenger capacity</b>	12
<b>Cabins</b>	6 cabins, 12 berths
<b>Cargo capacity</b>	1,200 linear metres of trailers and 175 linear metres of cars
<b>Class</b>	LR, 100A1, LMC, UMS



**M/S SIGYN**  
Owned by Svensk Kärnbränslehantering AB. Rederi AB Gotland has been responsible for the management of the M/S Sigyn since 1984. The ship transports spent fuel and radioactive waste from nuclear power plants.

<b>Built</b>	1982 at Le Havre, France
<b>Length overall</b>	90.33 m
<b>Breadth</b>	18.04 m
<b>Draught</b>	4.00 m
<b>Gross tonnage</b>	4,166
<b>Net tonnage</b>	1,249
<b>Deadweight</b>	2,044 tons
<b>Speed</b>	12.5 knots
<b>Vessel type</b>	Ro-Ro vessel
<b>Class</b>	LR, +100A1, +LMC, UMS, Ice Class 1B

Specially built for the transportation of containers of radioactive waste. Suitable for heavy cargoes. Complies with SOLAS/IASA conventions on the safe transportation of radioactive waste.

# Vessels and Charterers



## M/T TORM ANN-MARIE

A/S Dampskibsselskabet TORM of Copenhagen is responsible for operation and maintenance.

<b>Built</b>	1997 in South Korea
<b>Length overall</b>	244 m
<b>Breadth</b>	42 m
<b>Draught</b>	14 m
<b>Gross tonnage</b>	57,031
<b>Net tonnage</b>	29,612
<b>Deadweight</b>	99,900 tons
<b>Speed</b>	14 knots
<b>Vessel type</b>	Product tanker
<b>Capacity</b>	115,537 m <sup>3</sup>
<b>Main engines</b>	MAN-B&W 6 S 60 MC
<b>Class</b>	DNV, +1A1, Tanker for Oil, ESP, E0, LCS-SI, CSA-1



## M/T TORM ANNA

A/S Dampskibsselskabet TORM of Copenhagen is responsible for operation and maintenance.

<b>Built</b>	2004 in South Korea
<b>Length overall</b>	221 m
<b>Breadth</b>	32 m
<b>Draught</b>	14 m
<b>Gross tonnage</b>	42,432
<b>Net tonnage</b>	21,827
<b>Deadweight</b>	75,000 tons
<b>Speed</b>	16 knots
<b>Vessel type</b>	Product tanker
<b>Capacity</b>	82,053 m <sup>3</sup>
<b>Main engines</b>	Hyundai B&W 6560 MC-C
<b>Class</b>	LR, +100A, Double Hull Oil Tanker, 1, ESP, IWS, LI, +LMC, UMS, IGS



## M/T WISBY VERITY

Wisby Tankers AB is responsible for operation and maintenance. 50% holding.

<b>Built</b>	2004 in Germany
<b>Length overall</b>	116.35 m
<b>Breadth</b>	15.11 m
<b>Draught</b>	6.75 m
<b>Gross tonnage</b>	4,107
<b>Net tonnage</b>	2,141
<b>Deadweight</b>	7,479 tons
<b>Speed</b>	14 knots
<b>Vessel type</b>	Product tanker
<b>Capacity</b>	8,046 m <sup>3</sup>
<b>Main engines</b>	MAK M32C
<b>Class</b>	BV OIL TANKER, FIN/SWE ICE 1A



## PRODUCT TANKERS UNDER CONSTRUCTION

Rederi AB Gotland has three new product tankers on order from Guangzhou Shipyard International in China for delivery in 2006-08. These vessels are being built to the highest ice class (1A Super) and will each have a capacity of 52,000 dwt.

<b>Built</b>	Guangzhou Shipyard International, China
<b>Delivery</b>	2006/2007/2008
<b>Length overall</b>	183 m
<b>Breadth</b>	32 m
<b>Draught</b>	12 m
<b>Gross tonnage</b>	29,025 (preliminary)
<b>Deadweight</b>	52,000 tons
<b>Speed</b>	15 knots
<b>Vessel type</b>	Product tanker for chemicals compliant with IMO3
<b>Capacity</b>	55,000 m <sup>3</sup>
<b>Main engines</b>	Wärtsilä 7RT-flex 50
<b>Class</b>	DNV +1A1, Tanker for Oil ESP, Tanker for Chemicals IMO3, E0, VSC-2, T-MON, ICE-1A SUPER, NAUTICUS, SPM, CCO



# Glossary of Nautical Terms

**Bareboat charter** The shipowner leases the vessel without crew, often for an extended period. The charterer pays operational costs, while bareboat charter fees are paid to the shipowner at a fixed monthly rate.

**Bunkers, bunkering** The name given to the fuel for a vessel, such as fuel for the ship's engines. Bunkering means taking on board bunkers.

**Charterer** Frequently the owner of a cargo, or the hirer of the vessel. Charterer may also be a title given to a shipping company employee or a broker in the freight market.

**Charterparty** A contract with all the clauses governing the conditions for shipment.

**Deadweight (dwt)** The weight of cargo, bunkers and loose equipment which the vessel can carry.

**Double-bottom/hull** As a safety precaution some vessels have an outer and an inner bottom, separated by a 2-3 metre gap. In the event that the ship runs aground, this construction means that only the outer bottom will be damaged, which prevents leakage. A double-hull means that the vessel's sides are also double.

**Dry cargo carrier** A ship carrying general or bulk cargo.

**Fast ferry** High-speed ferry.

**High-speed Ro-Pax vessel** Fast Ro-Ro ship with high passenger capacity.

**HSC** High Speed Craft. Fast ferry.

**IMO** The International Maritime Organisation is an advisory body for international shipping under the aegis of the UN.

**ISM** International Safety Management Code. Issued by the IMO to regulate the operational management of shipping companies, ashore and at sea. The ISM code aims to ensure safe, environmentally sound shipping operations. All Swedish shipping companies which run passenger vessels must comply with the ISM Code.

**ISPS** International Ship and Port Facility Security Code. Security system for vessels and ports.

**Knot** A measure of the speed of a ship. 1 knot = 1 nautical mile per hour, or 1.85 km/h.

**kW** 1 kW = 1.357 hp.

**Lo-Lo vessel** (Lift on-Lift off) A vessel loaded/unloaded using its own derricks or shore-based cranes.

**M/S** Motor ship.

**M/T** Motor tanker.

**M/V** Motor vessel.

**Nautical mile (NM)** 1,852 metres or 6,076 feet. 100 km = 54 nautical miles.

**Off-hire** The time when a vessel is laid up for repairs, for example. Off-hire often involves a loss of income for the owner.

**Operating costs** The cost of the technical operation of a vessel, including crewing and insurance, but excluding capital costs.

**Panmax** The largest vessels able to navigate the Panama Canal have a maximum length of 285 m, and a maximum breadth of 32 m.

**Product tanker** A vessel for transporting refined oil products.

**Ro-Lo vessel** (Roll on/off-Lift on/off) A vessel with both cargo hatches and ramps so that loading/unloading can be carried out with cranes and/or trucks.

**Ro-Pax vessel** Ro-Ro vessel with passenger capacity.

**Ro-Ro vessel** (Roll on-Roll off) A vessel on which loading and unloading are carried out with trucks or wheeled platforms using one or more access ramps in the hull.

**Ship management** Services dealing with the operation, maintenance, crewing and insurance of a company's vessels.

**Short-sea traffic** Sea traffic between Sweden and the rest of Europe, primarily Northern and Western Europe.

**SOLAS** International Convention for the Safety of Life at Sea. Regulations issued by the IMO which include international safety-at-sea legislation.

**Spot market** The shipping market that is used for chartering vessels for individual voyages.

**Time charter** The shipowner hires out a vessel complete with crew against a fixed rate per day or a monthly amount based on deadweight. Payment is usually made in advance. The charterer is liable to pay for bunkers and port dues. The surplus retained by the shipowner is known as T/C earnings, and usually expressed in USD per day.

**Ton** A registered ton is a measure of volume (100 cubic feet or 2.83 cubic metres). The gross registered tonnage is, in effect, the volume of the ship's enclosed spaces excluding the bridge, galley and certain other areas. The net registered tonnage is the gross tonnage less the volume required to operate the ship (deckhouse, engine room etc). A deadweight ton is a measure of weight, and deadweight is the weight of cargo, bunkers and loose equipment that the ship can carry.

**ULCC** Ultra large crude carrier. A tanker in excess of 300,000 tons.

**VLCC** Very large crude carrier. A tanker in excess of 200,000 tons.

**World Scale (WS)** An international freight index for tankers. When tankers are contracted to carry a cargo, the freight is almost invariably expressed as a percentage of the WS index.



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