

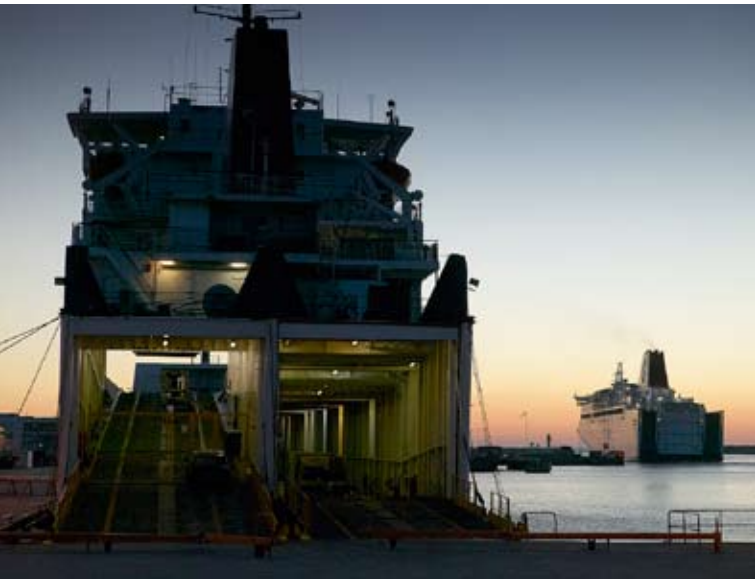
ANNUAL REPORT 2007



REDERI AB GOTLAND

Established 1865





Annual Report 2007

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www.gotlandsbolaget.se



The annual report is also available on our website.

The annual general meeting of shareholders will be held at the Wisby Strand Conference Centre in Visby on 13 May 2008 starting at 11 am.



The Year in Brief

1 January 2007 – 31 December 2007

Financial performance

Profit after net financial items was SEK 201 (271) million.
Sales were SEK 1,550 (974) million.

Tonnage

The group's vessels were well employed during the financial year.

The group has ordered four product tankers, each of 53,000 dwt and Ice Class 1A Super. The first vessel (M/T Gotland Carolina) was delivered in 2006, the second (M/T Gotland Sofia) was delivered in March 2007, and the other two will be delivered in 2008.

The Gotland service

The concept of operating only fast ferries has been a major success, and has cut crossing times between Gotland and the mainland by around two hours. The number of passengers using the Gotland service grew for the tenth consecutive year, to 1,563,000 passengers in the 2007 calendar year.

The summer service to Öland was resumed after ten years.

Destination Gotland AB has entered into a new agreement with the Swedish Government, and will operate the Gotland service until 2015.

Financial year changed

The company has switched its financial year back to the calendar year, so this annual report covers the period from 1 January 2007 to 31 December 2007 (12 months), while the comparison period is 1 May 2006 to 31 December 2006 (8 months).



First passenger to Öland on the first sailing in 2007.



Jan-Eric Nilsson, chairman. Born 1957. Board member since 1986 and chairman of the board since 2002. Shareholding: see page 8.



Jan-Erik Rosengren, managing director. Born 1944. Managing director since 2001. Shareholding: 540 A-shares and 360 B-shares.

Letter to Shareholders

Profit after financial items for the 2007 financial year (1 January - 31 December 2007) was SEK 201 million, compared with SEK 271 million the previous period. Taking into consideration that the profit for the previous period includes a reversal of a SEK 108 million provision in respect of the dispute with the National Public Transport Agency, the profit is considered satisfactory. One important cause of this profit was the very strong market for product tankers during the period.

During the year, the company resumed its Öland service, after an absence of ten years. The Öland service boosted passenger numbers by 36,000, so the total number of passengers increased by 6.2 percent compared with the previous year. The Gotland service has increased every year over the ten years that Destination Gotland has operated the service. The total increase is over 400,000 passengers.

In November, Destination Gotland entered into an agreement with the National Public Transport Agency, and will operate the service from January 2009 until the end of January 2015. Under the new agreement we will be using four vessels in the service, so we can optimise the number of crossings according to demand. The new agreement also means that many of the risks previously borne by the Swedish Government are now transferred to the company. However, we will be doing our best to ensure that

residents of Gotland and visitors can continue to travel to and from Gotland both quickly and conveniently.

The company continues to invest in product tankers. Today, we own six product tankers and we are co-owners of two. Two more vessels will be delivered in 2008 and another in 2009. The product tanker market has been very strong for a long period. Most observers feel that this exceptional boom will now moderate, primarily because of the very extensive new-building programme for virtually all types of tanker vessels. Variations in the market over time are natural, and we share the view that we are now entering a period of downturn.

However, Rederi AB Gotland's investment in product tankers is long-term, and the cycle will naturally vary over time. We are well equipped for this, and feel that our investments are in the niche of the product tanker market that will be in demand.

Finally, we would like to extend our thanks to our employees for their great work.

Two handwritten signatures in black ink. The signature on the left is for Jan-Eric Nilsson and the one on the right is for Jan-Erik Rosengren.

Jan-Eric Nilsson, chairman Jan-Erik Rosengren, managing director



Business concept and strategy

Rederi AB Gotland's business concept 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. Since 1998, Rederi AB Gotland has operated the service between Gotland and the mainland under an agreement with the Swedish Government. The service is operated via the company's 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. The jointly-owned sales and production company, Gotland Promotion, has established itself in the market and is able to sell and market Gotland efficiently as a tourist destination.

Organisation

The group's parent company, Rederi AB Gotland, has its head office in Visby, where most of its business also takes place. The shipping company's subsidiary, Destination Gotland AB, is responsible for the operation of the Gotland ferry service. Rederi AB Gotland has other subsidiaries in Switzerland and the Bahamas, and a branch in Germany that operates some of the group's vessels.



Product tanker no. 4 in the dry dock at the Guangzhou shipyard.

Operations – Shipping

Sales

The shipping operation generated net sales of SEK 1,391 million (901 million) for the financial year, 1 January - 31 December 2007.

The shipping market

Demand for ferry tonnage was generally good during the year. The market for product tankers was very good during the period. The number of passengers on the Gotland service increased by 6.2 percent in 2007.

Ferry tonnage

The group's fast ferries, M/S Visby, M/S Gotland, HSC Gotlandia and HSC Gotlandia II, have been employed on the Gotland service throughout the period. Since September, the M/S Thjelvar has been chartered to Scandlines in Germany on a bareboat basis for three years. The M/S Gute was employed on the Gotland service at the start of the year, and was then chartered to Baltic Scandinavian Lines. The M/S Hoburgen was chartered to Svenska Orient Linien until September, and was then sold to Rederi AB Lillgaard on Åland.

The company has been assigned management responsibility for the M/S Sigyn by the Swedish Nuclear Fuel and Waste Management Co. (Svensk Kärnbränslehantering AB).

Product tankers

The group owns the following product tankers: M/T Torm Anna (75,000 dwt), M/T Torm Ann-Marie (100,000 dwt) and M/T Gotland Carolina and M/T Gotland Sofia (both 53,000 dwt). D/S Torm of Copenhagen has management responsibility for these four vessels.

During the year, two product and chemical vessels were acquired, M/T Red Wing and M/T Red Teal, each of 6,800 dwt. The vessels are chartered on a bareboat basis to Care Tankers Inc. In addition, the group has a 50 percent interest in two other product tankers, M/T Wisby Verity (7,600 dwt), chartered to Wisby Tankers AB, and M/T Tosca (47,000 dwt), chartered to the Anglo-Atlantic Steamship group.

The M/T Gotland Carolina, delivered in December 2006, and

the M/T Gotland Sofia, delivered in March 2007, are part of a fleet of four product tankers with Ice Class 1A Super ordered from Guangzhou Shipyard International in China. The third and fourth vessels will be delivered in the second half of 2008.

Together with Wisby Tankers AB, Rederi AB Gotland has also ordered a sister vessel to the M/T Wisby Verity. Ferus Smit Leer GmbH in Germany is building this vessel, with delivery in 2009.

Net book value

The group's vessel holdings had a net book value of SEK 2,164 million (1,815 million) on 31 December 2007. It is difficult to carry out a fair market valuation of the group's ferries to calculate 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, and is something that is also reflected in substantial fluctuations in price for the relatively few sales that take place. Prices are currently high due to a slight fall in supply. The vessels operating on the Gotland service are chartered out until the end of January 2015, which further complicates a fair valuation.

The product tanker market is more efficient in terms of both vessels and freight rates. New-building prices remained high in 2007.

Currency risks - opportunities

Currency flows relating to ferry operations are denominated in SEK. Inward and outward payments relating to product tankers are denominated in USD. Payments in EUR have increased considerably in the past year. The company does not normally hedge these currency flows in relation to SEK.

The contracts for the new product tankers ordered from China are denominated in USD, while the contract for the smaller vessel being built in Germany is denominated in EUR. The company considers sensitivity to be limited, because inward and outward payments are largely in balance. Nevertheless, fluctuations in exchange rates do have some impact through oil purchases and ship orders.





Destination Gotland AB

Since 1998, Destination Gotland has operated ferry services between Gotland and the Swedish mainland under an agreement with the Swedish Government. The two large high-speed ferries, M/S Gotland and M/S Visby, and the two smaller high-speed ferries, HSC Gotlandia and HSC Gotlandia II, serve the Visby-Nynäshamn and Visby-Oskarshamn routes. The Gotland service has a seasonal pattern, with more than 50 per cent of passenger traffic between June and August. Cargo transport is evenly distributed throughout the year, and was approximately 725,000 linear metres in 2007, which is an increase of 4.7 per cent compared with 2006. The number of cars carried during the period was 453,000, an increase of 5.4 per cent. The number of passengers increased by 3.8 per cent to 1,528,000, and there were 2,840 crossings.

During the year, a new route was opened to Öland, which boosted passenger totals by 36,000. If the Öland traffic is included, the number of passengers increased by 6.2 per cent. There has been a steady increase in traffic volumes over the years.

Destination Gotland's profit after net financial items was SEK 248 (35) million. The profit in 2007 was mainly a result of the outcome of arbitration with the National Public Transport Agency. Net sales were SEK 985 (696) million.

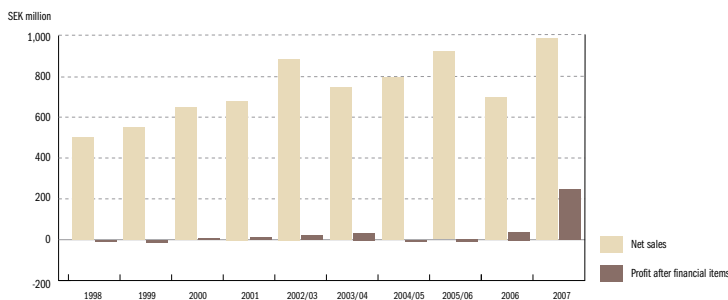
Facts about the agreement with the Swedish Government to operate the Gotland service

Since 1971, the service between the Swedish mainland and Gotland has been regulated through a procurement procedure in which the government enters into an agreement with a shipping company to operate passenger and cargo traffic. The purpose of the agreement is to guarantee the people and businesses of Gotland a high standard of transport all year round, and so partly mitigate Gotland's competitive disadvantage caused by its location. On 1 January 2000, the Swedish National Transport Agency took over responsibility for this procurement procedure. Rederi AB Gotland held the franchise until 1987, after which another shipping company took over from 1988 to 1997. From 1998 onwards, Rederi AB Gotland has once again had responsibility for the Gotland service through Destination Gotland AB.

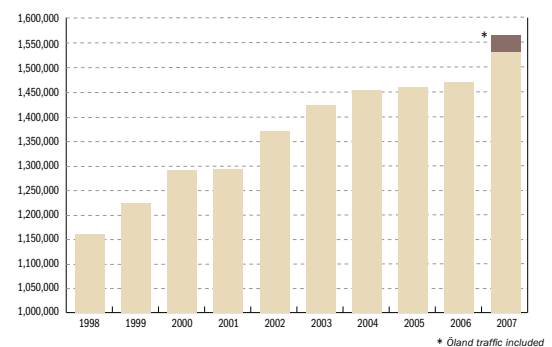
The agreement, which was extended in 2001, runs until the end of 2008. Under the agreement, the company undertakes to operate the Gotland service in accordance with specified requirements for safety, environment, convenience, timetables and prices. The government stipulates timetables and prices. Under the terms of the agreement, the government receives the revenue from traffic operations and then disburses the agreed remuneration to Destination Gotland for the services provided.

In November 2007, Destination Gotland AB entered into a new agreement with the National Public Transport Agency for the ferry service between Gotland and the Swedish mainland for the period 1/1/2009 - 31/1/2015. The new agreement entails considerably greater risks than the current agreement. Under the new agreement, the shipping company is taking considerably greater risks in terms of both revenues and expenses. Under the current agreement, the government bore complete responsibility for risks related to increased bunker prices but, under the new agreement, the government will now only stand for 50 percent while the rest may be charged on the ticket price. However, under the new agreement, the shipping company is free to set timetables within certain frameworks and is entitled to differentiate prices more than previously.

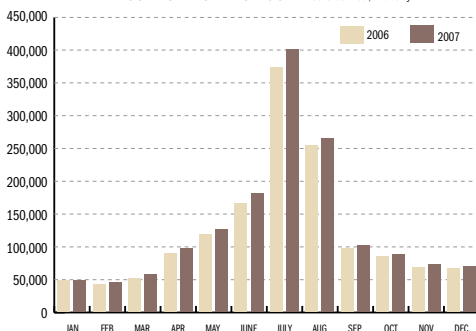
TURNOVER AND EARNINGS FOR DESTINATION GOTLAND AB 1998 - 2007



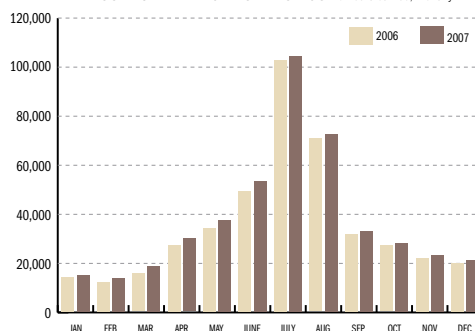
PASSENGER NUMBERS, 1998 - 2007



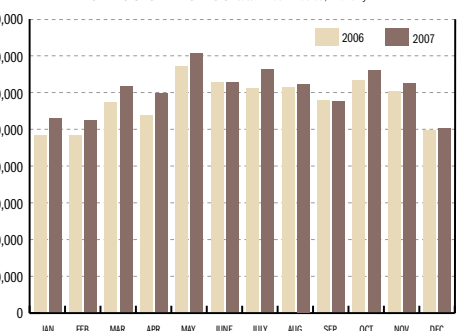
PASSENGER STATISTICS numbers carried, monthly



PASSENGER VEHICLE STATISTICS numbers carried, monthly



CARGO STATISTICS total linear metres, monthly



Rederi AB Gotland's shares

Rederi AB Gotland's shares were traded on the Stockholm Stock Exchange between 1982 and 2004. An extraordinary general meeting on 11 November 2003 decided to delist the company's two classes of share from the Stockholm Stock Exchange O-list, and the shares were withdrawn 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 financial year 1 January - 31 December 2007, Rederi AB Gotland had share capital of SEK 2,769,756 (2,769,756), divided into an equal number of shares with a quota value of 1. The shares were divided into 1,818,419 A-shares with ten votes each and 951,337 B-shares with one vote each.

Ownership structure

At the end of the financial year (31 December 2007), there were 2,308 (2 289) shareholders. Around two-thirds of the shareholders are resident on Gotland. Institutional holdings amounted to 5.5 per cent on 31 December 2007.

Share price and turnover

The B-share price increased from SEK 650 to SEK 660 during the financial year. The SAX All Share Index, which reflects trends on the Stockholm Stock Exchange, fell by 6.0 per cent over the same period. The sector to which Rederi AB Gotland belonged when listed on the Stockholm Stock Exchange (SX203030 Marine) decreased by 15.5 per cent.

The highest price recorded for the B-share during the financial year was SEK 680, and the lowest was SEK 630. A total of 8,661 shares were traded during the financial year, for a total value of SEK 5.7 million. Rederi AB Gotland's B-share is the more heavily traded of the company's two classes of share.

Dividend policy

The board has agreed on an objective that dividends should, in principle, reflect growth in reported equity. On 31 December 2006, equity was SEK 1,501 million, compared with SEK 1,706 million on 31 December 2007. The board therefore proposes a dividend of SEK 3.15 per share (previous year SEK 2.75).

Data per share is shown on page 12.



OWNERSHIP STRUCTURE, 31 DECEMBER 2007

	TOTAL	A-SHARES	B-SHARES	% OF VOTES	% OF SHARES
Trojaborg AB (Jan-Eric Nilsson and Ann-Marie Åström)	1,559,105	1,382,135	176,970	73.2	56.3
Svenska Stålbyggen Invest AB (Jonas Åman)	236,630	86,880	149,750	5.3	8.5
Tage Johansson and companies	105,335	90,015	15,320	4.8	3.8
Redarnas ömsesidiga försäkringsbolag	40,900	29,700	11,200	1.6	1.5
Förvaltnings AB Grötlingboudd	135,111	5,185	129,926	0.9	4.9
Köpmansgillet, 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	29,840	7,556	22,284	0.5	1.1
Strand Hotell, 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	48,247	2,276	45,971	0.4	1.7
Others	525,086	182,390	342,696	11.3	19.0
Total	2,769,756	1,818,419	951,337	100	100

Rederi AB Gotland's Shares

SHARE PRICE, 1 JAN 2003 – 31 DEC 2007



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 SHARE CAPITAL (SEK)	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	Reduction (buy-back)	-410,172	-410,172	4,000,000	4,000,000
2003	Reduction (buy-back)	-153,388	-153,388	3,846,612	3,846,612
2004	Reduction (redemption)	-92,195	-92,195	3,754,417	3,754,417
2005	Reduction (buy-back)	-384,661	-384,661	3,369,756	3,369,756
2005	Reduction (redemption)	-600,000	-600,000	2,769,756	2,769,756

BREAKDOWN BY SIZE OF HOLDING, 31 DECEMBER 2007

SIZE OF HOLDINGS	NUMBER OF SHARES	% OF SHARES	NUMBER OF SHAREHOLDERS	% OF SHAREHOLDERS
1-200	86,090	3.1	1,882	81.4
201-500	72,179	2.6	219	9.5
501-1000	68,691	2.5	92	4.0
1001-5000	175,372	6.3	84	3.6
5001-	2,367,424	85.5	31	1.5
Total	2,769,756	100.0	2,308	100.0

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 2007 financial year (1 January 2007 – 31 December 2007) for the parent company and the group. Rederi AB Gotland is a subsidiary of Trojaborg AB with head office in Stockholm, corporate identity number 556339-9574.

The comparative figures relate to the most recently reported financial period, 1 May 2006 to 31 December 2006 (8 months).

Sales and profit

The group's operating profit was SEK 224 (266) million. The profit after financial income and expenditure was SEK 201 (271) million. The profit for the previous financial period included the outcome of arbitration proceedings with the National Public Transport Agency, which boosted profit by SEK 108 million. Sales were SEK 1,550 (974) million.

Company focus

The business comprises shipping operations, where the wholly owned subsidiary, Destination Gotland AB, is responsible for the Gotland service. The company is also engaged, to a lesser extent, in travel agency services and property management.

Shipping operations

The group's fully owned fast ferries, M/S Visby, M/S Gotland, HSC Gotlandia and HSC Gotlandia II, have been employed in the Gotland service throughout the period. Since September the M/S Thjelvar has been chartered to Scandlines in Germany on a bareboat basis for three years. The M/S Gute was employed on the Gotland service at the start of the year, and was then chartered to Baltic Scandinavian Lines. The M/S Hoburgen was chartered to Svenska Orient Linien until September, and was then sold to Rederi AB Lillgaard on Åland.

The company has been assigned management responsibility for the M/S Sigyn by the Swedish Nuclear Fuel and Waste Management Co. (Svensk Kärnbränslehantering AB).

The group owns the following product tankers: M/T Torm Anna (75,000 dwt), M/T Torm Ann-Marie (100,000 dwt) and M/T Gotland Carolina and M/T Gotland Sofia (both 53,000 dwt). D/S Torm of Copenhagen has management responsibility for these four vessels.

During the year, two product and chemical vessels were acquired, M/T Red Wing and M/T Red Teal, each of 6,800 dwt. The vessels are chartered on a bareboat basis to Care Tankers Inc. In addition, the group has a 50 percent interest in two other product tankers, M/T Wisby Verity (7,600 dwt), chartered to Wisby Tankers AB, and M/T Tosca (47,000 dwt), chartered to

the Anglo-Atlantic Steamship group.

The M/T Gotland Carolina, delivered in December 2006, and the M/T Gotland Sofia, delivered in March 2007, are part of a fleet of four product tankers with Ice Class 1A Super ordered from Guangzhou Shipyard International in China. The third and fourth vessels will be delivered in the second half of 2008.

Together with Wisby Tankers AB, Rederi AB Gotland has also ordered a sister vessel to the M/T Wisby Verity. Ferus Smit Leer GmbH in Germany is building this vessel, with delivery in 2009.

The market for product tankers was very strong during the financial year. The company is of the opinion that we are now entering a period of economic downturn.

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 following vessels: M/S Visby, M/S Gotland, HSC Gotlandia and HSC Gotlandia II. Destination Gotland AB's profit after financial items was SEK 248 (35) million. The outcome of the arbitration proceedings involving the National Public Transport Agency had a major impact on Destination Gotland's profit in 2007. This is because the arbitration decision was made after Destination Gotland AB's annual general meeting in 2007. Net sales were SEK 985 (696) million.

During the year, a new route was started to Öland, boosting passenger totals by 36,000.

The number of passengers using the Gotland service, including the Öland service, increased by 6.2 per cent compared with the previous year, to a total of 1,563,000.

Destination Gotland AB's existing agreement with the National Public Transport Service extends to the end of 2008. In November 2007, Destination Gotland AB entered into a new agreement with the National Public Transport Agency, and will operate the ferry service between Gotland and the Swedish mainland from 1 January 2009 to 31 January 2015. The new agreement exposes the company to considerably greater risks than the current agreement.

Investments

The group's gross investments during the period were SEK 552 (583) million.

Risks

As the company's business is international, it is exposed to some foreign currency risks. Currency flows relating to ferry operations are denominated in SEK. Inward and outward pay-



ments relating to product tankers are denominated in USD. Payments in EUR have increased considerably in the past year. The company does not normally hedge these currency flows in relation to SEK.

The contracts for the new product tankers ordered from China are denominated in USD, while the contract for the smaller vessel under construction in Germany is denominated in EUR. The company considers sensitivity to be limited, because inward and outward payments are largely in balance. Nevertheless, fluctuations in exchange rates do have some impact through oil prices and ship orders.

The company's liquid assets are invested in the money market in banks or commercial paper with high credit ratings.

Financial position

The group's liquid assets and current investments were SEK 734 (315) million. Interest-bearing liabilities were SEK 1,305 (972) million. The equity ratio was 48.3 (49.7) per cent. Equity per share was SEK 616 (542).

Parent company sales and earnings

The parent company's profit after financial items was SEK 9 (60) million. The net profit was SEK 34 (72) million. Net sales were SEK 262 (185) million.

Proposed appropriation of profits

Parent company profits at the disposal of the annual general meeting of shareholders:

	SEK
Profit brought forward	183,166,345
Profit for the year	33,998,077
	<hr/>
	217,164,422

The board and managing director propose that:

a dividend of SEK 3.15 be paid to shareholders (2,769,756 shares)	8,724,731
To be carried forward	208,439,691
	<hr/>
	217,164,422

The board is of the opinion that the proposed dividend is justified in terms of the requirements specified in Chapter 17, Section 3, of the Swedish Companies Act. These requirements concern the demands that the business activity's nature, scope and risks place on the amount of equity, consolidation needs, cash position and general financial position of the parent company and group.

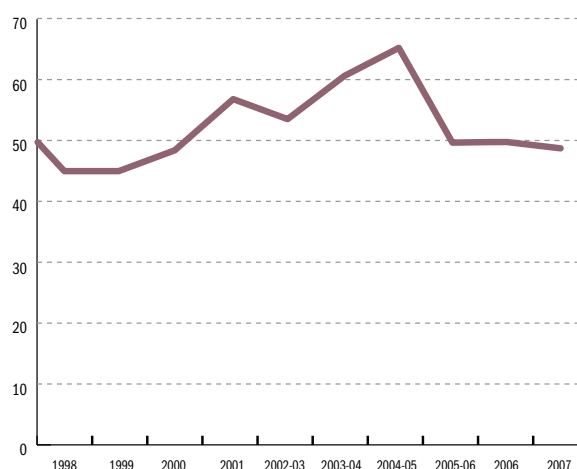
The income statement and balance sheet will be presented to the annual general meeting of shareholders on 13 May 2008 for adoption.

PROFIT AFTER FINANCIAL ITEMS, SEK MILLION



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

	2007 12 months	2006 8 months	2005/2006	2004/2005	2003/2004
From the income statement (SEK million)					
Income	1,550.0	973.9	1,314.3	1,212.4	1,031.1
Profit after financial items	201.0	271.5	268.7	346.3	338.2
Return (%)					
- on equity after tax (1)	13.3	14.3	17.0	23.9	26.2
- on capital employed (2)	8.2	11.1	12.6	20.7	21.3
- on assets (3)	7.8	10.5	11.7	18.9	19.1
From the balance sheet (SEK million)					
Fixed assets	2,691.4	2,343.1	1,883.7	1,427.7	1,514.1
Current interest-free operating liabilities	142.4	148.7	173.4	172.1	188.9
Long-term liabilities	960.7	919.9	681.2	177.1	194.3
Equity 1	1,705.8	1,501.1	1,306.9	1,419.2	1,148.0
Total assets	3,531.3	3,019.6	2,639.6	2,156.4	1,897.2
Equity ratio (%)	48.3	49.7	49.5	65.8	60.5
Per share (SEK)					
Equity	615.86	541.91	471.81	421.13	331.60
Earnings after tax	76.89	72.51	78.28	89.84	76.78
Proposed dividend	3.15*	2.75	2.40	2.60	2.10
Share price at year-end (SEK)					
B-share	660	650	635	410	310
Other					
Gross investments (SEK million)	552	583	601	111	398
Number of employees	402	411	436	447	492
Average number of shares	2,769,756	2,769,756	2,969,756	3,415,854	3,663,032

Definitions

1) Profit after tax in relation to average equity.

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

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

4) Equity in relation to total assets.

*) Board's proposal.

Income Statement 2007

SEK thousand	Note	GROUP		PARENT COMPANY	
		2007 12 months	2006 8 months	2007 12 months	2006 8 months
Net sales	1, 2	1,503,637	973,885	261,900	185,169
Income from sales of vessels		46,788	-	-	-
Total income		1,550,425	973,885	261,900	185,169
Operating expenses					
Other external costs	3	-894,801	-445,137	-119,457	-45,364
Personnel costs	4, 5	-227,801	-148,345	-21,311	-14,836
Depreciation, vessels	6	-199,656	-111,153	-104,161	-62,735
Depreciation, other tangible and intangible fixed assets	7, 8, 9	-4,277	-3,122	-1,613	-1,108
Total operating expenses		-1,326,535	-707,757	-246,542	-124,043
Operating profit		223,890	266,128	15,358	61,126
Result from financial investments					
Result from participations in group companies	10	51	-	3,387	220
Result from securities/receivables accounted for as fixed assets	11	1,394	-	-	-
Interest income and similar profit/loss items	12	25,635	29,931	14,226	6,134
Interest expenses and similar profit/loss items	13	-49,997	-24,561	-24,017	-7,909
Total result from financial investments		-22,917	5,370	-6,404	-1,555
Profit after financial items		200,973	271,498	8,954	59,571
Appropriations					
Additional depreciation, vessels		-	-	37,500	40,790
Tax	14	12,470	-70,540	-12,456	-28,295
Minority interests		-489	-122	-	-
Total appropriations		11,981	-70,662	25,044	12,495
NET PROFIT FOR THE YEAR		212,954	200,836	33,998	72,066
Per-share data					
Earnings per share after tax (SEK)		76.89	72.51		
Average number of shares		2,769,756	2,769,756		

Balance Sheet

ASSETS	Note	GROUP		PARENT COMPANY	
		31-12-07	31-12-06	31-12-07	31-12-06
<i>SEK thousand</i>					
Fixed assets					
Intangible fixed assets	7	–	13	–	–
Tangible fixed assets					
Vessels	6	2,163,811	1,814,658	437,820	531,922
Newbuilding contracts	15	457,666	467,788	457,666	467,788
Land and buildings	8	62,463	52,766	29,358	24,306
Equipment	9	5,480	6,041	1,942	1,600
Total tangible fixed assets		2,689,420	2,341,253	926,786	1,025,616
Financial fixed assets					
Participations in group companies	16	–	–	17,401	13,982
Receivables from group companies	17	–	–	523,513	399,263
Other long-term securities	18	1,371	1,371	613	613
Other long-term receivables	19	578	416	378	402
Deferred tax assets	20	–	–	16,235	37,155
Total financial fixed assets		1,949	1,787	558,140	451,415
Total fixed assets		2,691,369	2,343,053	1,484,926	1,477,031
Current assets					
Inventories					
Finished products and goods for resale		16,265	10,898	167	–
Current receivables					
Accounts receivable – trade		52,664	39,373	6,203	4,701
Receivables from group companies		–	–	–	40,791
Other current receivables		21,546	299,358	2,882	–
Tax receivables		4,490	1,172	3,883	892
Prepaid expenses and accrued income	21	10,689	10,576	434	161
Total current receivables		89,389	350,479	13,402	46,545
Current investments	22	642,755	223,010	642,755	223,010
Cash and bank balances	23	91,479	92,138	17,322	35,971
Total current assets		839,888	676,525	673,646	305,526
TOTAL ASSETS		3,531,257	3,019,578	2,158,572	1,782,557

Balance Sheet

LIABILITIES AND EQUITY		GROUP		PARENT COMPANY	
<i>SEK thousand</i>	<i>Note</i>	31-12-07	31-12-06	31-12-07	31-12-06
Equity	24				
Restricted equity					
Share capital		2,770	2,770	2,770	2,770
Restricted reserves		1,135,639	996,156	2,480	3,110
Total restricted equity		1,138,409	998,926	5,250	5,880
Non-restricted equity					
Non-restricted reserves		354,411	301,305	183,166	96,953
Net profit for the year		212,954	200,836	33,998	72,066
Total non-restricted equity		567,365	502,141	217,164	169,019
Total equity		1,705,774	1,501,067	222,414	174,899
Untaxed reserves					
Accumulated additional depreciation, vessels		–	–	417,460	454,960
Minority interests					
Minority interests		852	363	–	–
Provisions					
Provisions for pensions		199	199	199	199
Provisions for deferred tax		370,702	390,668	–	–
Total provisions		370,901	390,867	199	199
Long-term liabilities					
Liabilities to credit institutions	25	954,286	913,326	492,246	529,317
Liabilities to group companies	26	–	–	608,251	544,931
Other long-term liabilities		6,422	6,589	6,422	6,589
Total long-term liabilities		960,708	919,915	1,106,919	1,080,837
Current liabilities					
Liabilities to credit institutions	23	350,595	58,682	318,762	33,784
Advance payments from customers		490	543	490	543
Accounts payable – trade		58,045	73,826	7,690	8,210
Liabilities to group companies		–	–	63,227	9,628
Tax liabilities		435	153	–	–
Other liabilities		12,274	11,086	2,105	1,566
Accrued expenses and deferred income	27	71,183	63,076	19,306	17,931
Total current liabilities		493,022	207,366	411,580	71,662
TOTAL LIABILITIES AND EQUITY		3,531,257	3,019,578	2,158,572	1,782,557
Pledged assets and contingent liabilities					
Pledged assets	28	1,311,891	1,040,909	775,071	654,956
Contingent liabilities	29	–	–	511,516	393,776

Cash flow statement

SEK thousand	Note	GROUP		PARENT COMPANY	
		2007 12 months	2006 8 months	2007 12 months	2006 8 months
Operating activities					
Profit/loss after financial items		200,973	271,498	8,954	59,571
Adjustment for items not included in cash flow					
Depreciation	6, 7, 8, 9	203,246	114,275	105,774	63,842
Other items not affecting liquidity		-61,194	-108,568	-11,038	6,144
		343,025	277,205	103,690	129,557
Tax paid		-3,017	-625	-2,991	-612
Cash flow from operating activities before change in working capital		340,008	276,580	100,699	128,945
Change in working capital					
Change in inventories		-5,367	95	-167	-
Change in receivables		264,408	-98,982	35,504	12,029
Change in current liabilities		-14,053	-20,522	286,815	-66,201
Cash flow from operating activities		584,996	157,171	422,851	74,773
Investing activities					
Acquisition of vessels and newbuilding contracts	6, 15	-538,687	-581,480	-258,104	-399,871
Acquisition of other tangible fixed assets	8, 9	-13,413	-1,843	-7,108	-297
Sales of vessels		46,788	-	-	-
Change in financial fixed assets		-162	-185	-60,985	-100,161
Cash flow from investing activities		-505,474	-583,508	-326,197	-500,329
Financing activities					
Loans raised		397,996	273,284	285,534	-
Repayment of liabilities		-54,475	-18,571	-33,667	-12,881
Change in inter-company balances		-	-	56,532	333,189
Dividend to shareholders		-7,617	-6,647	-7,617	-6,647
Cash flow from financing activities		335,904	248,066	300,782	313,661
Change in liquid assets		415,426	-178,271	397,436	-111,895
Liquid assets at start of year		315,148	493,419	258,981	370,876
Exchange rate differences in liquid assets		3,660	-	3,660	-
Liquid assets at end of year		734,234	315,148	660,077	258,981

Notes to the accounts

General accounting policies

The annual accounts have been prepared in accordance with the Annual Accounts Act and the general guidelines of the Swedish Accounting Standards Board. Where the reporting also follows the recommendations of the Swedish Financial Accounting Standards Council, this is indicated under the respective heading below. The application of the accounting policies, and additional information provided, are unchanged from last year.

Valuation policies

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

Revenue recognition

Revenue is reported on the basis of the actual amount received, or the amount expected, and is reported where it is probable that economic benefits will fall to the company.

Receivables and liabilities in foreign currencies

The receivables and liabilities in foreign currency of the parent company and Swedish group companies have been translated at the year-end rate. The long-term portion of loans raised for financing vessels has been reported at the rate applicable on the transaction date, since investments in vessels are considered to be an effective hedge against exchange rate fluctuations. Currency gains and losses on the operational receivables and liabilities are added to or deducted from the operating profit. Gains and losses on financial receivables and liabilities are reported as financial items.

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 concern 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. Instead, these 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. The procedure means that only earnings arising after the acquisition date are included in the group's equity.

All inter-company gains are eliminated.

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 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, except depreciation, which is translated at the rate on the transaction date for each asset.

Taxes, including deferred 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.

All tax liabilities and assets are reported at their nominal value, in line with the tax regulations and tax rates that have been decided on, or that have been announced and will in all probability be adopted. Deferred tax is calculated on all temporary differences arising between reported values of assets and liabilities and their values for tax and accounting purposes.

Deferred tax assets are recognised in respect of all deductible temporary differences and unutilised loss carry-forward, where it is likely that there will be future taxable profits against which the temporary differences or unutilised loss carry-forward can be offset. The reported value of the deferred tax assets is reviewed at each year-end.

Receivables

Receivables are reported as the payment expected in each individual case.

Inventories

Inventories are reported in accordance with the Swedish Financial Accounting Standards Council's recommendation, RR2:02 "Inventories". Inventories are valued, applying the first-in/first-out principle, at the lower of cost and the net realisable value at year-end.

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

Leasing agreements

Leasing agreements are reported in accordance with the Swedish Financial Accounting Standards Council's recommendation, RR6:99 "Leasing agreements". All leasing agreements 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 only includes 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	
	2007	2006	2007	2006
Shipping operations	1,390,812	900,653	226,488	158,861
Travel agency operations	32,001	23,474	32,001	23,474
Other	80,824	49,758	3,411	2,834
Total	1,503,637	973,885	261,900	185,169

Note 2 RELATED PARTY TRANSACTIONS

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

	PARENT COMPANY	
	2007	2006
Sales of internal services	77 %	69 %
Purchase of internal services	14 %	9 %

Note 3 OTHER EXTERNAL COSTS

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

	GROUP		PARENT COMPANY	
	2007	2006	2007	2006
<i>Bengt Ericson Revision AB</i>				
Audit	65	1,283	65	698
<i>Öhrlings PricewaterhouseCoopers</i>				
Audit	91	90	91	90
Other	-	61	-	61
<i>Ernst & Young AB</i>				
Audit	1,082	11	674	11
<i>Others</i>				
Audit	126	70	-	-
Total	1,364	1,515	830	860

Note 4 PERSONNEL COSTS AND PAYMENTS TO BOARD AND MANAGEMENT

Salaries, other remuneration and social security contributions

	2007		2006	
	Salaries and other remuneration	Social security contributions	Salaries and other remuneration	Social security contributions
Parent company	11,457	6,663	8,929	5,447
Of which pension costs 1)		2,359		1,937
Group companies	143,405	59,257	93,767	39,350
Of which pension costs 2)		10,513		6,703
Group total	154,862	65,920	102,696	44,797

1) Of the parent company's pension costs, SEK 1,244,000 (836,000) 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 1,518,000 (1,216,000) refer to the board and the 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

	2007		2006	
	Board and MD	Other employees	Board and MD	Other employees
Parent company	3,866	7,591	2,017	6,912
Group companies in Sweden	2,120	138,670	1,341	90,018
Group companies abroad	511	2,104	467	1,941
Group total	6,497	148,365	3,825	98,871

Remuneration of SEK 1,593,000 (1,197,000) including car benefits was paid to the chairman Jan-Eric Nilsson. His pension costs amounted to SEK 535,000 (353,000).

Notes to the Consolidated and Parent Company Accounts

The managing director of the parent company Jan-Erik Rosengren received salary and car benefits worth SEK 1,497,000 (707,000). His pension costs amounted to SEK 709,000 (402,000). 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.

The board prepares and approves remuneration to the managing director and the chairman of the board.

Law firms in which members of the board are partners were paid the following fees:

- advokatfirman Bill Andréasson SEK 583,000 (741,000)
- advokatfirman Södermark (Peter J. Lindskog) SEK 458,000 (564,000)

The three (four) officers classified as "other senior executives" received total payments of SEK 2,610,000 (2,137,000). 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 other senior executives is prepared and determined by the chairman.

Fees for consultancy and brokerage assignments of SEK 3,479,000 (2,025,000) 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 and the broker to Gotland Marine Sa.

Note 5 AVERAGE NUMBER OF EMPLOYEES ETC

Number of employees	GROUP		PARENT COMPANY	
	2007	2006	2007	2006
<i>Average number employed in Sweden</i>				
Women	176	175	10	12
Men	206	218	7	9
<i>Average number employed abroad</i>				
Women	2	2	–	–
Men	18	16	3	2
Total	402	411	20	23

Board members and senior executives	GROUP		PARENT COMPANY	
	2007	2006	2007	2006
<i>Board members</i>				
Women	2	2	1	1
Men	21	21	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	
	2007	2006
Total sickness absence	1.62 %	1.14 %
Women	2.37 %	1.88 %
Men	0.63 %	0.18 %

Note 6 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	
	31-12-07	31-12-06	31-12-07	31-12-06
Cost				
At start of year	2,851,831	2,401,592	1,335,109	1,335,109
New acquisitions during the year	280,583	181,609	–	–
Reclassifications	268,226	268,630	268,226	268,630
Disposals during the year	-12,627	–	-268,226	-268,630
Total cost	3,388,013	2,851,831	1,335,109	1,335,109
Depreciation according to plan				
At start of year	-1,037,173	-926,020	-803,187	-740,452
Disposals during the year	12,627	–	10,059	–
Depreciation for year according to plan	-199,656	-111,153	-104,161	-62,735
Total depreciation according to plan	-1,224,202	-1,037,173	-897,289	-803,187
Net book value at year-end	2,163,811	1,814,658	437,820	531,922

Group

Of the total balance sheet item of SEK 2,163,811,000 (1,814,658,000), operating leases account for SEK 526,551,000 (260,069,000).

Parent company

Of the total balance sheet item of SEK 437,820,000 (531,922,000), operating leases account for SEK 431,934,000 (508,825,000).

Notes to the Consolidated and Parent Company Accounts

Note 7 INTANGIBLE FIXED ASSETS

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

Goodwill	GROUP	
	2007	2006
Cost		
At start of year	1,581	1,581
Liquidation	-29	
Total cost	1,552	1,581
Amortisation		
At start of year	-1,568	-1,564
Amortisation for year according to plan	-6	-4
Liquidation	22	-
Total amortisation according to plan	-1,552	-1,568
Net book value at year-end	-	13

Note 8 BUILDINGS AND LAND

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

	GROUP		PARENT COMPANY	
	31-12-07	31-12-06	31-12-07	31-12-06
Cost				
At start of year	74,680	74,394	40,487	40,487
Acquisitions during the year	11,625	280	6,100	-
Reclassifications	-	6	-	-
Total cost	86,305	74,680	46,587	40,487
Depreciation according to plan				
At start of year	-22,132	-20,871	-16,399	-15,720
Depreciation for year according to plan	-1,922	-1,269	-1,042	-687
Total depreciation according to plan	-24,054	-22,140	-17,441	-16,407
Revaluations				
At start of year	219	232	219	232
Depreciation for year according to plan	-7	-6	-7	-6
Total revaluations	212	226	212	226
Net book value at year-end	62,463	52,766	29,358	24,306
Value assessed for tax purposes, buildings	53,382	41,139	36,003	26,971
Value assessed for tax purposes, land	15,297	13,705	10,842	9,250

Note 9 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	
	31-12-07	31-12-06	31-12-07	31-12-06
Cost				
At start of year	29,435	29,517	7,524	7,225
New acquisitions during the year	1,923	1,563	1,008	299
Disposals during the year	-1,160	-1,645	-765	-
Total cost	30,198	29,435	7,767	7,524
Depreciation according to plan				
At start of year	-23,394	-23,194	-5,924	-5,509
Disposals during the year	1,022	1,643	663	-
Depreciation for year according to plan	-2,346	-1,843	-564	-415
Total depreciation according to plan	-24,718	-23,394	-5,825	-5,924
Net book value at year-end	5,480	6,041	1,942	1,600

Notes to the Consolidated and Parent Company Accounts

Note 10 RESULT FROM PARTICIPATIONS IN GROUP COMPANIES

	GROUP		PARENT COMPANY	
	2007	2006	2007	2006
Dividends	51	-	34	220
Cancellation of write-down	-	-	3,353	-
Total	51	-	3,387	220

Note 11 RESULT FROM SECURITIES AND RECEIVABLES ACCOUNTED FOR AS FIXED ASSETS

	GROUP		PARENT COMPANY	
	2007	2006	2007	2006
Dividends	1,394	-	-	-
Total	1,394	-	-	-

Note 12 INTEREST INCOME AND SIMILAR PROFIT/LOSS ITEMS

	GROUP		PARENT COMPANY	
	2007	2006	2007	2006
Other interest income	38,173	33,894	25,000	9,723
Exchange differences	-12,538	-3,963	-10,774	-3,589
Total	25,635	29,931	14,226	6,134

Note 13 INTEREST EXPENSES AND SIMILAR PROFIT/LOSS ITEMS

	GROUP		PARENT COMPANY	
	2007	2006	2007	2006
Interest expenses, group companies	-	-	-	-6,239
Interest expenses, other	-54,616	-25,835	-28,315	-18,092
Exchange differences	4,619	1,274	4,298	16,422
Total	-49,997	-24,561	-24,017	-7,909

Note 14 TAX FOR YEAR

	GROUP		PARENT COMPANY	
	2007	2006	2007	2006
Current tax for year	19	-874	-	-
Current tax relating to previous years	-	-42	-	-
Tax attributable to group contribution	-	-	8,464	-55,554
Deferred tax attributable to loss carry-forward	-20,920	27,259	-20,920	27,259
Deferred tax attributable to temporary differences in assets	42,533	-	-	-
Deferred tax, miscellaneous	-9,162	-96,883	-	-
Total	12,470	-70,540	-12,456	-28,295

Note 15 NEWBUILDING CONTRACTS, VESSELS

	GROUP		PARENT COMPANY	
	31-12-07	31-12-06	31-12-07	31-12-06
At start of year	467,788	336,553	467,788	336,547
Payments during the year for newbuilding contracts	258,104	399,871	258,104	399,871
Reclassification of completed vessels and other	-268,226	-268,636	-268,226	-268,630
Net book value at year-end	457,666	467,788	457,666	467,788

Note 16 PARTICIPATIONS IN GROUP COMPANIES

	PARENT COMPANY	
	31-12-07	31-12-06
Cost at start of year	13,982	411,343
Additions	200	-
Disposals during the year	-134	-397,361
Cancellation of value adjustment	3,353	-
Net book value at year-end	17,401	13,982

Notes to the Consolidated and Parent Company Accounts

Specification of group's shareholdings and participations in group companies

Swedish group companies	Corporate identity no.	Head office	Number	Book value	Share of equity and votes (%)
Destination Gotland AB	556038-2342	Gotland	5,000	5,389	100
Fastighets AB Kopparsvik	556141-1009	Gotland	500	2,507	100
Gotlandsbolaget AB	556643-7850	Gotland	1,000	100	100
Rederi AB Torsburgen	556570-5869	Gotland	1,000	100	100
Rederi AB Gute	556021-0741	Gotland	10,000	1,231	100
Rederi AB Ljugarn	556669-5903	Gotland	1,000	100	100
Rederi AB Våndburg	556496-2222	Gotland	1,000	550	100
Rederi AB Klintehamn	556683-3686	Gotland	1,000	100	100
Rederi AB Kappelshamn	556052-7169	Gotland	250	1,544	100
Rederi AB Lickershamn	556740-0493	Gotland	1,000	100	100
Rederi AB Ronehamn	556740-1616	Gotland	1,000	100	100
Gamla Wisby Bryggeri AB	556035-4341	Gotland	4,320	3,500	100
Gotland Promotion AB	556496-2214	Gotland	550	1,605	55
Dormant companies				132	
				17,058	
Foreign group companies					
Gotland Shipping AG*		Switzerland	–	–	100
Gotland Shipping Co Ltd*		Bahamas	–	–	100
AM Shipping Ltd*		Bahamas	–	–	100
HM Shipping Ltd*		Bahamas	–	–	100
CM Shipping Ltd*		Bahamas	–	–	100
SM Shipping Ltd*		Bahamas	–	–	100
Dormant companies			–	343	100
				343	
Net book value at year-end				17,401	

* Sub-subsidiary of Rederi AB Gotland.

Note 17 RECEIVABLES FROM GROUP COMPANIES

	PARENT COMPANY	
	31-12-07	31-12-06
At start of year	399,263	261,575
Additional receivables	210,307	241,560
Receivables settled	-86,057	-103,872
Net book value at year-end	523,513	399,263

Note 18 OTHER LONG-TERM SECURITIES

	GROUP		PARENT COMPANY	
	31-12-07	31-12-06	31-12-07	31-12-06
At start of year	1,371	1,171	613	413
Acquisitions during the year	–	200	–	200
Net book value at year-end	1,371	1,371	613	613

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				316	
Total parent company				613	
D/S Torm		Danmark	20,000	717	
Other shares and participations				41	
Total group				1,371	

Notes to the Consolidated and Parent Company Accounts

Note 19 OTHER LONG-TERM RECEIVABLES

	GROUP		PARENT COMPANY	
	31-12-07	31-12-06	31-12-07	31-12-06
At start of year	416	431	402	417
Additional receivables	200	–	–	–
Receivables settled	-38	-15	-24	-15
Net book value at year-end	578	416	378	402

Note 20 DEFERRED TAX ASSETS

	GROUP		PARENT COMPANY	
	31-12-07	31-12-06	31-12-07	31-12-06
At start of year	–	9,896	37,155	9,896
Additional receivables	–	–	–	27,259
Receivables settled	–	–	-20,920	–
Reclassifications	–	-9,896	–	–
Net book value at year-end	–	–	16,235	37,155

Note 21 PREPAID EXPENSES AND ACCRUED INCOME

	GROUP		PARENT COMPANY	
	31-12-07	31-12-06	31-12-07	31-12-06
Prepaid travel expenses	79	161	79	161
Prepaid insurance premiums	1,100	893	–	–
Prepaid rents	667	275	–	–
Other prepaid expenses	4,636	5,808	355	–
Accrued income	4,207	3,439	–	–
Net book value at year-end	10,689	10,576	434	161

Note 22 SHORT-TERM INVESTMENTS

	GROUP		PARENT COMPANY	
	31-12-07	31-12-06	31-12-07	31-12-06
Short-term investments in SEK	375,000	180,000	375,000	180,000
Short-term investments in EUR	113,459	36,148	113,459	36,148
Short-term investments in USD	154,296	6,862	154,296	6,862
Net book value at year-end	642,755	223,010	642,755	223,010

Note 23 BANK OVERDRAFT FACILITIES

A bank overdraft facility of SEK 5 million has been granted, of which SEK 1,447,000 has been utilised.

Note 24 EQUITY

Share capital

Class of share	Number	Quota value (SEK)
A free (SEK 1 quota value)	1,818,419	1,818,419
B free (SEK 1 quota value)	951,337	951,337
Total	2,769,756	2,769,756

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	2,770	996,156	301,305	200,836	1,501,067
Transfer of previous year's profit			200,836	-200,836	–
Dividends			-7,617		-7,617
Others*		-630			-630
Transfers between restricted and non-restricted equity		140,113	-140,113		–
Net profit for the year				212,954	212,954
Net book value at year-end	2,770	1,135,639	354,411	212,954	1,705,774

Notes to the Consolidated and Parent Company Accounts

PARENT COMPANY	Share capital	Restricted reserves	Non-restricted reserves	Net profit for the year	Total
Opening equity	2,770	3,110	96,953	72,066	174,899
Transfer of previous year's profit			72,066	-72,066	-
Dividends			-7,617		-7,617
Others*		-630			-630
Group contributions			30,228		30,228
Tax effects, group contributions			-8,464		-8,464
Net profit for the year				33,998	33,998
Net book value at year-end	2,770	2,480	183,166	33,998	222,414

* Correction of previous year's adjustment relating to reduction of share capital.

Note 25 LIABILITIES TO CREDIT INSTITUTIONS

	GROUP		PARENT COMPANY	
	31-12-07	31-12-06	31-12-07	31-12-06
Due date 1-5 years from accounting year-end	296,204	260,503	142,246	148,282
Due date over 5 years from accounting year-end	658,082	652,823	350,000	381,035
Net book value at year-end	954,286	913,326	492,246	529,317

Of the group's debt to credit institutions, SEK 495,677,000 (419,073,000) is in USD, SEK 50,119,000 (52,935,000) is in EUR, and the rest in SEK. Of the parent company's debt to credit institutions, SEK 50,475,000 (63,101,000) is in USD and the rest is in SEK.

Note 26 LIABILITIES TO GROUP COMPANIES

	PARENT COMPANY	
	31-12-07	31-12-06
At start of year	544,931	626,790
Additional liabilities	77,863	239,932
Liabilities settled	-14,543	-321,791
Net book value at year-end	608,251	544,931

These liabilities fall due for payment on demand.

Note 27 ACCRUED EXPENSES AND DEFERRED INCOME

	GROUP		PARENT COMPANY	
	31-12-07	31-12-06	31-12-07	31-12-06
Accrued personnel costs	31,106	34,737	4,417	5,488
Accrued interest	11,168	10,736	7,444	7,645
Prepaid shipping and travel agency income	11,301	7,409	4,412	1,685
Other accrued expenses	17,659	10,194	3,034	3,113
Net book value at year-end	71,234	63,076	19,307	17,931

Note 28 ASSETS PLEDGED TO CREDIT INSTITUTIONS

	GROUP		PARENT COMPANY	
	31-12-07	31-12-06	31-12-07	31-12-06
Property mortgages	7,860	7,860	7,860	7,860
Vessel mortgages	1,157,237	1,014,835	630,417	638,882
Floating charges	11,825	11,825	1,825	1,825
Bank balances	6,389	6,389	6,389	6,389
Short-term investments	128,580	-	128,580	-
Total	1,311,891	1,040,909	775,071	654,956

Note 29 CONTINGENT LIABILITIES

	GROUP		PARENT COMPANY	
	31-12-07	31-12-06	31-12-07	31-12-06
Guarantees on behalf of subsidiaries	-	-	511,516	393,776

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 2007. The company's annual report and consolidated accounts are presented on pages 10-25 of the printed version of this document. 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 policies 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 they therefore provide a true and fair view of the company's and the group'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, 27 March 2008

Ernst & Young AB

Camilla Ral Ingvarson
Authorised public accountant

Vessels and Charterers



M/S GOTLAND and M/S VISBY

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

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



HSC GOTLANDIA II

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

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



HSC GOTLANDIA

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

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



M/S ROSTOCK (ex Thjelvar)

Chartered by Scandlines Deutschland GmbH until September 2010.

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

Vessels and Charterers



M/S GUTE

Chartered by Baltic Scandinavian Lines and Destination Gotland AB.

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



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.

Built	1982 at Le Havre, France
Length overall	90.33 m
Breadth	18.04 m
Draught	4.00 m
Gross tonnage	4,166
Net tonnage	1,249
Deadweight	2,044
Speed	12.5 knots
Vessel type	Ro-Ro vessel
Class	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.



M/T GOTLAND CAROLINA AND M/T GOTLAND SOFIA

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

Built	2006/07 at Guangzhou Shipyard International Co Ltd (GSI), China
Length overall	183 m
Breadth	32 m
Draught	12 m
Gross tonnage	29,283
Net tonnage	15,939
Deadweight	53,000
Speed	15 knots
Vessel type	GSI Gotland Class – product tanker for chemicals compliant with IMO II
Capacity	55,000 m ³
Main engines	Wärtsilä 7RT-flex 50
Class	DNV +1A1, Tanker for Oil ESP Tanker for Chemicals IMO II, E0, VSC-2, T-MON, ICE-1A SUPER, NAUTICUS (Newbuilding), SPM, CCO



M/T TORM ANN-MARIE

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

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

Vessels and Charterers



M/T WISBY VERITY

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

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



M/T TOSCA

Chartered by Anglo-Atlantic Steamship group. 50% interest.

Built	2004 in Croatia
Length overall	182.90 m
Breadth	32 m
Draught	12 m
Gross tonnage	26,914
Net tonnage	14,288
Deadweight	46,764
Speed	14 knots
Vessel type	Product tanker for chemicals compliant with IMO II
Capacity	52,000 m ³
Main engines	MAK 8M32/48
Class	DNV+1A1 Tanker for Oil products and Chemicals ESP E0 CCO VCS-2 COAT-2 PLUS-2 ETC NAUTICUS (Newbuilding)



M/T TORM ANNA

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

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



M/T RED WING and M/T RED TEAL

Chartered by Care Tankers Inc.

Built	2005/2007 at Tuzla Gemi Endüstrisi, Turkey
Length overall	119 m
Breadth	17 m
Draught	8 m
Gross tonnage	4,850
Net tonnage	2,300
Deadweight	6,800
Speed	14 knots
Vessel type	Product tanker for chemicals compliant with IMO II
Capacity	8,000 m ³
Main engines	MAK 8M32C
Class	BV Hull Machinery, Oil Tanker/ Chemical Tanker, IMO II, Esp, Unrestricted Service, AUT-UMS, Ice 1A, AVM-APS, MON-SHAFT, VSC, IWS

The Board of Directors



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.
Other commissions: Managing Director, Counterline Technologies AB; Senior Advisor, Barons Financial Services, SA.



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



Peter Skoglund
Born 1964, Visby. Ombudsman. Employee representative.
Board member since 2005.
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 Samhall AB, Counterline Technologies AB and Gexco AB.



Jonas Åman
Born 1964, Oslo. MSc Shipping, Trade & Finance.
Board member since 2004.
Shareholding: see page 8.



Jan-Eric Nilsson
Chairman. Born 1957, Stockholm. Board member since 1986 and member of the remuneration committee.
Shareholding: see page 8.
Other commissions:
Chairman of European Community Shipowners' Association (ECSA) High Level Passenger Ferry Group, Handelsbanken, Visby and Sveriges Redareförening's Environment Committee, Vice-Chairman of the Chamber of Commerce of East Sweden. Board member of Handelsbanken Regionbank Öst, Gotlands Turistförening, Sjöräddningssällskapet, Sveriges Redareförening, Board and Ferry Section. Board member and previously President of Interferry (IMTA). Member of administrative board of Redarnas Ömsesidiga Försäkringsbolag and Försäkringsaktiebolaget Alandia, Mariehamn, and Lloyd's Technical Committee and Lloyd's Nordic Committee, London.



Ann-Marie Åström
Vice-chairman. Born 1965, Stockholm. LLM.
Board member since 1991.
Shareholding: see page 8.

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.



Rederiaktiebolaget Gotland (publ)

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