



# ANNUAL REPORT 2013

  
**REDERI AB GOTLAND**  
1865 – 2013



## Annual Report 2013

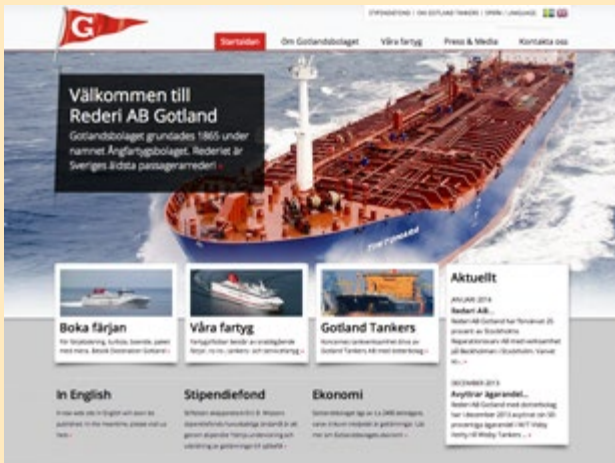
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The annual report is also available on our website.

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

The AGM will take place at kongresshallen at Wisby Strand in Visby on 18 June 2014 at 11:00.



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



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



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



*Björn Wolrath, Chairman.*



*Håkan Johansson, President.*

## Letter to Shareholders

In April 2014, Destination Gotland concluded an agreement with the Swedish Transport Administration regarding the continuation of Destination Gotland's services to and from Gotland for a further 10 years, from 1 February 2017 to 31 January 2027. This pleasing news also comes during the company's 150th year of operations and means we have some considerable challenges ahead, in terms of both operations and investment in light of our intention to undertake a comprehensive environmental investment in LNG vessels. The upcoming agreement involves greater operational risks for Destination Gotland than the current agreement, and also imposes greater adaptation requirements.

The company's annual financial statements for 2013 show a slight improvement in the product tanker market, while demand for services to and from Gotland remains strong.

The Group reduced the average age of the tanker fleet through the sale of its fifty per cent ownership share in both M/T Wisby Verity and M/T Tarantella, while the newbuilding M/T Alice was delivered in January 2013.

There was a better level of earnings in the product tanker market during the first eight months of the year before then falling back slightly, a trend which has also continued into 2014.

The Gotland service also saw an increase in travel in 2013 during the summer season that is so important to the tourist industry. Over the year as a whole, total passenger numbers

decreased by 0.5 per cent to 1,582,618. During the year, an attention-grabbing campaign was launched to further emphasise the pulling power of Gotland, called "Gotland – around the world on one island". Even ahead of 2014's peak season, the campaign is generating increased interest in Gotland not only as a destination and attraction, but also as a place to live and work.

During the year, the Group completed an investment in a new hotel complex in Visby, stage two of Visby HamnHotell. The hotel was ready by summer 2013 with a total of 214 rooms, making it the biggest hotel on Gotland. In conjunction with the opening of the hotel, the business concluded a franchise agreement with Scandic and changed its name to Scandic Visby. Other major investments have been made in Visby in recent years to increase the number of hotel rooms. Current demand, meanwhile, has not experienced the same trend. In light of this, the company has made a write-down adjustment of hotel assets.

Financial performance in the past year has been positive despite the write-downs of vessels and hotels. This provides a stable foundation from which to take on the new challenges we will face in light of our newly acquired agreement on the Gotland service.

Many thanks to all our employees for your hard work.

Björn Wolrath  
*Chairman*

Håkan Johansson  
*President*

# Rederi AB Gotland 1865 – 2014

*Rederi AB Gotland is Sweden's oldest shipping company. 2013 marked its 149th year in operation.*

**1865** Gotlandsbolaget is founded with the name Ångfartygsbolaget Gotland. The company's first vessel is called Wisby.

**1955** The vessel Christofer Polhem enables the transportation of cars to and from Gotland by way of its ro-ro functionality (roll on, roll off).

**1964, 1972, 1980, 1999, 2003, 2006** Milestones for new generations of vessels on the Gotland service. The car and passenger ferries of the 1960s were built in the Netherlands, those of the 1970s in the former Yugoslavia, and those of the 1980s in Sweden. New-generation high-speed ferries were delivered around the turn of the millennium, with the SF700 coming from France in 1999, two SF1500s from China in 2003, and a further SF700 from Italy in 2006.

**1967** Rederi AB Gotland acquires Rederi AB Nordö, becoming the sole contractor on the Gotland service.

**1984** A regional air service is provided via the company's own airline Avia. The company is sold in 1992.

**1988** Rederi AB Gotland loses the Gotland service after 122 years and another operator takes over.

**1994** Investment in product tankers begins via a partnership with Torm A/S.

**1998** The Gotland service returns to Rederi AB Gotland, operated by its subsidiary Destination Gotland AB.

**1999** The first single-hull High Speed Craft fast ferry, HSC Gotland, is put into service.

**2003** Two fast ferries built in China, M/S Visby and M/S Gotland, turn the Gotland service into one of the world's most modern sea transport systems.

**2006** HSC Gotlandia II is delivered from Italy and put into operation on the Gotland service.

**2006, 2007, 2008** Gotlandsbolaget takes delivery of four ice class 1A Super product tankers built at Guangzhou Shipyard International Co in China.

**2009** A new contract comes into effect for the ferry service between Gotland and the mainland for the period 1 January 2009–31 January 2015. The agreement was later extended and is in effect until 31 January 2017.

**2012, 2013** Two 39,000 DWT product tankers, so-called Handysize, are delivered from the GSI shipyard in China.

**2014** Through its subsidiary Destination Gotland AB, the company wins the tender for ferry services to and from Gotland. The term of the agreement is ten years and comes into effect in 2017 and runs until 31 January 2027.







*HSC Gotlandia dry docked at Stockholms Reparationsvarv AB at Beckholmen in Stockholm.*

## The financial year in brief

**1 January – 31 December 2013**

- Profit after net financial items amounted to SEK 178 (173) million. Revenues amounted to SEK 1,848 (1,811) million.
- The company's four fast ferries were employed on the Gotland service throughout the year. M/S Gute was employed as a back-up vessel on the Gotland service and was leased out for short periods, including as a replacement vessel on the Bornholm service
- In April 2014, Destination Gotland concluded an agreement with the Swedish Transport Administration regarding the continuation of Destination Gotland's services to and from Gotland for a further 10 years, between 1 February 2017 and 31 January 2027.
- During 2013, 1,582,618 passengers travelled on the ferries, a marginal decrease of 0.5 per cent compared with 2012.
- The Group's product tankers were employed by way of commercial management in pool partnerships, or by being chartered on a bareboat basis or time-charter basis.
- In January 2013, the company took delivery of M/T Alice, a 39,000 DWT product tanker from the GSI shipyard in China. Together with her sister ship M/T Ami, which was delivered in the autumn of 2012, M/T Alice is chartered on a time-charter basis to Trafigura Maritime Logistics Pte.
- During the financial year, two 50 per cent holdings in two tankers were sold – M/T Tarantella was sold to Whitefin Shipping co Ltd, and M/T Wisby Verity was sold to Wisby Tankers AB. The tanker M/T Anna Victoria was sold to Shinoussa Shipping Co. in January 2014.
- After an improved level of earnings during the first eight months of the year as compared to the previous year, the product tanker market fell back slightly at the end of the year.
- During the financial year, Rederi AB Gotland acquired 25 per cent of Stockholms Reparationsvarv AB, which operates out of Beckholmen in Stockholm.
- The second and final stage of Visby Hamn Hotell was completed for the 2013 season. In conjunction with the opening of the hotel, a franchise agreement with Scandic was concluded and the hotel's name changed to Scandic Visby.



## Vision, mission and strategy

### Our vision

*As a natural element of Gotland's community, we will stand for the constant development of its lifeblood – the sea transport system to and from the island – with the long-term vision of running ferry services with no environmentally harmful emissions.*

### Our mission

*We want to continue to develop one of the world's most modern sea transport systems and contribute to Gotland's sustainable growth in line with environmental, travel-time and capacity requirements.*

### Our strategy

*We will be at the cutting edge of technology in ferry services and product tanker shipping – our two largest business areas – both of which require a high level of preparedness.*



*Rederi AB Gotland's operations have been certified for their environmental management in accordance with ISO 9001 and ISO 14001 since 2003.*



## ***Vision and mission***

The development of our core business – ferry services to and from Gotland – depends on the growth and development of Gotland’s social and business community. Therefore, since its formation in 1865, Rederi AB Gotland has been an important factor in the development of Gotland and the island’s attractiveness as a place to live and visit. Therefore, our initiatives and investments also extend outside our direct shipping operations.

Gotland as a whole must be given the conditions for sustainable growth. The Gotland service is not simply transportation from A to B, but an integrated element of Gotland’s community and should satisfy the needs of all customers – Gotland residents, visitors and freight customers – by way of a balanced compromise.

We have invested in Gotland’s growth for 149 years, and this is something that we will continue to do.

Rederi AB Gotland always puts its customers first by always striving for the best quality in the company’s products and services. Our customers include ferry passengers, hotel guests, and charterers of our product tankers. We offer security, good service, cost efficiency, and continuity to all our customers.



Our employees are our backbone, and so we work to achieve good health, environmental, and safety conditions in their workplaces.

Two thirds of our roughly 2,400 shareholders are residents of Gotland. In this way, we assume responsibility for our shareholders in several ways. We strive to maintain a high-class ferry service between Gotland and the Swedish mainland and work to make Gotland as attractive as possible.



# Rederi AB Gotland – the Group



Rederi AB Gotland's business concept is to earn interest on capital primarily by way of investments in ferries, Ro-Ro and product tanker vessels. The company's core expertise has been accumulated through 149 years of successive efforts to develop new generations of sea transport systems for the Gotland service. The ability to develop new generations of vessels has

also been useful in the product tanker area. Strategically, Rederi AB Gotland has chosen to invest in systems and vessels at the cutting edge of technology, which has resulted in a modern sea transport system for the Gotland service. In the area of product tankers, Rederi AB Gotland has developed a new class of ice class 1A Super MR vessels called the Gotland Class.

## GOTLAND TANKERS

The Group's product tanker tonnage is managed and operated by Gotland Tankers AB. The President of Gotland Tankers AB is Jonas Kamstedt. The company is a sub-group of Rederi AB Gotland with a number of vessel-owning subsidiaries. The vessels are employed by way of commercial management in pool partnerships or by being chartered on a contract basis. The vessels that are not chartered on a bareboat basis are operated by way of contracts for technical management which include both the management and maintenance, and crewing of the vessels.



## DESTINATION GOTLAND

The passenger ferries owned by the Group are operated by Destination Gotland AB within the framework of the Gotland service. The President of Destination Gotland AB is Chister Bruzelius. The company operates the Gotland service with the support of the Swedish State through an agreement with the Swedish Transport Administration. The current agreement was to apply initially until 31 January 2015, but was extended in 2011 by a further two years until 31 January 2017. In April 2014, Destination Gotland won the tender for ferry services and concluded a new ten-year agreement with the Swedish Transport Administration. The agreement comes into effect on 1 February 2017 and runs until 31 January 2027. The service is operated using four fast ferries, of which the two larger vessels are in service all year round and the two smaller vessels boost our spring and autumn service and the high-frequency service during the summer period.



## GotlandsResor

GotlandsResor AB and its President, Carina Hammander, are responsible for the Group's hotel properties. The company owns and runs Visby's largest hotel, Scandic Visby, and Visby Gustavsvik, north of Visby, which rents out chalets and apartments and offers bed and breakfast. The business also includes hotel operations in rented properties and travel agency operations. Hotel operations are run year round while Visby Gustavsvik is primarily open during the peak season.





# Product tankers

## Gotland Tankers AB

Rederi AB Gotland acquired three product tankers in partnership with Torm A/S in 1994. This acquisition started the company's successful involvement in product tankers. Today, through the Gotland Tankers subgroup, Rederi AB Gotland owns eleven product tankers ranging in size from 7,000 to 53,000 DWT. Five of these are 50 per cent owned.

The product tanker market is divided according to vessel size. The company's product tanker holdings are in the small tanker segment, 6,000 to 9,000 DWT, the Handysize segment, 25,000 to 42,000 DWT, and the Medium Range (MR) segment, 43,000 to 55,000 DWT.

A common way to improve availability on the market and spread risks is to collaborate in pools. The Group is a co-owner of Hafnia Management A/S, which operates Hafnia MR Pool, for instance, in which three of the company's four wholly-owned MR class vessels are employed. One MR vessel is chartered out on a time-charter basis to Messrs Mansell Ltd.

In 2002, the company began a partnership with the Anglo-Atlantic Steamship group (Laurin Maritime). The Group now jointly owns four MR vessels with Laurin Maritime. During the year, the Group's 50 per cent interest in M/T Tarantella was sold.

In 2006, the company began a partnership with the Gotland-based company Wisby Tankers AB, acquiring a 50 per cent interest in the vessel M/T Wisby Verity. This share in the vessel was sold back to Wisby Tankers during the year. Gotland Tankers currently owns one small tanker class vessel together with Wisby Tankers. Gotland Tankers also owns a minority share of the management company Wisby Shipmanagement AB, with Wisby Tankers owning the majority.

During the year, the company took delivery of the second of two 39,000 DWT newbuildings (Handysize) from the GSI shipyard in China. Together with her sister ship M/T Ami, which was delivered in October 2012, M/T Alice is chartered on a time-charter basis to Trafigura Maritime Logistics Pte.



Positions of product tankers on 6 May 2014.

# The Gotland service

## History

Ångfartygsaktiebolaget Gotland, subsequently Rederi AB Gotland, was formed in 1865 with the aim of creating a regular ferry service between Gotland and the Swedish mainland. Every resident of Gotland was invited to subscribe for shares, and to this day two thirds of the shareholders in the company are Gotland residents.

The service was developed throughout the 20th century and the Gotland service is now a fully integrated link in the supply chain of the entire Gotland community. Most products that are consumed and produced on the island arrive and leave “just in time” on the ferries. At the same time, the travel needs of both Gotland residents and visitors must be met.

## State subsidy

The Gotland service constitutes part of Sweden's transport infrastructure as it is the equivalent of both a road and a railway to the island. The service has always been operated privately, but since 1971 the State has subsidised the service to allow a higher service frequency than the market could otherwise support, particularly during the winter low season.

## Destination Gotland

A big step in the history of the service was taken in 1998 when Destination Gotland was introduced. The current focus is on creating a structure that facilitates and contributes to increased competitiveness in Gotland as a region and a destination.

Between 1999 and 2006, a three-stage development programme was implemented with a brand new generation of vessels produced for the Gotland service. With journey times roughly halved and a considerably better service frequency, travel was made considerably easier and supply chains to Gotland could be streamlined.

## Traffic growth

The volume of passengers on the ferry service between Gotland and the mainland has grown continuously for a long time. Since 1998, when Destination Gotland was introduced, passenger volumes have increased by 40 per cent. The volume of cars and goods has also grown dramatically. Since the fast ferries were introduced a decade ago, the residents of Gotland have doubled the amount they travel, so much of this growth can be attributed to the people of Gotland, who now collectively make more than 400,000 single trips per year.

Passenger and vehicle volumes vary greatly over the year, with much higher occupancy during the summer season. The volume for all of February is equivalent to that for roughly 72 hours in July. Volumes of goods, on the other hand, are more evenly distributed over the year.

## Finances

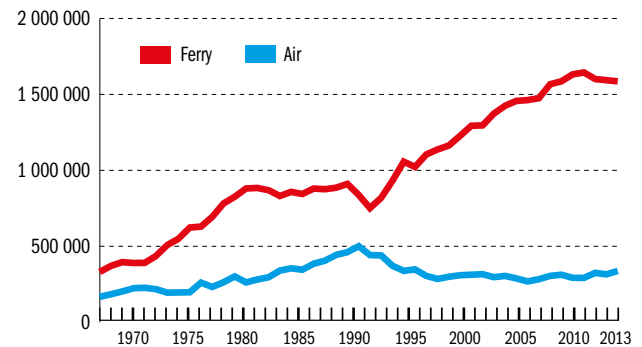
The increase in passenger and freight volumes has meant an increase in earnings on the service, but also increased costs. The ever-stricter requirements for both vessels and support systems, as well as general increases in operating costs – not least for fuel – are important factors. Since the early 1970s, the costs of meeting the complex requirements profile of the Gotland service have exceeded what the market can support. This is why the State subsidises the service.

To facilitate sustainable growth on Gotland and to contribute to it, the Gotland service has to be right-sized to meet the requirements of Gotland residents, visitors, and the business community with seasonal variations.

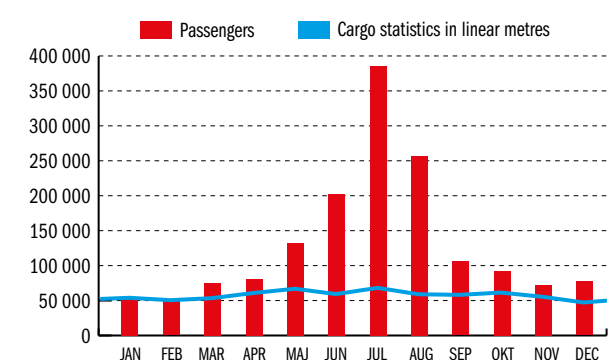
## The Environment

The environment is a focal point of Destination Gotland, which has developed an environment management system certified in accordance with ISO 14001. The reduction of harmful emissions into the air and water, primarily with regard to acidifying substances and greenhouse gases, is a special priority. Vessels are powered by low-sulphur fuel, which reduces emissions of acidifying sulphur compounds. Moreover, Destination Gotland is the only service of its kind with catalytic converters installed on all vessels. This reduces emissions of nitrogen compounds by 80-90 per cent.

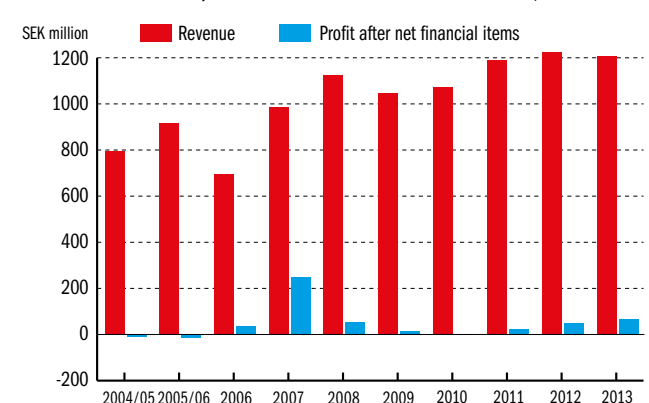
FERRY/AIR 1967 – 2013



PASSENGER & CARGO STATISTICS 2013 TOTAL PER MONTH



REVENUE AND PROFIT/LOSS FOR DESTINATION GOTLAND AB, 2004-2013





## Hotel operations

GotlandsResor AB, which is a wholly owned subsidiary of Rederi AB Gotland, is one of Gotland's leading companies in the tourist industry, with around 30 permanent employees growing to around 100 during the spring and summer seasons. GotlandsResor owns and operates the Scandic Visby hotel and facilities at Visby Gustavsvik, as well as the student and tourist apartments on Volontärgatan. Scandic Visby has a franchise agreement with the Scandic chain.

GotlandsResor has a total of 1,160 beds at these facilities. In addition to these units, the company also acts as an agent for the other Groups range of trips and experiences.

The second and final stage of the Scandic Visby hotel's renovation and expansion was completed in 2013. The 80 modular rooms which formed the basis of the hotel in 1994 were moved to make room for three new hotel buildings with a design similar to those built in 2009.

The expansion involved the construction of 96 new rooms, an outdoor pool, an outdoor spa for year-round use, wellness centre, gym, and play area. The hotel currently has 214 rooms and 509 beds. The hotel opened in June 2013 while also changing its name to Scandic Visby.

Half of the modular rooms that were previously located at Scandic Visby have been moved to Visby Gustavsvik. The rooms have been completely renovated and each room has its own outdoor area. The rooms were ready in summer 2013 and marketed as a bed-and-breakfast product. Meanwhile, all of the facility's cottages were renovated and were also ready for the 2013 season.

GotlandsResor is also responsible for the management of the Volontärgatan apartment hotel in Visby, which has 120 studio apartments. These are leased primarily as student housing, mainly for students at Uppsala University Campus Gotland. During the summer season, some of the apartments are rented out as an apartment hotel.



Scandic Visby



# Rederi AB Gotland's shares

Rederi AB Gotland's shares were traded on the Stockholm Stock Exchange between 1982 and 2004. At an extraordinary general meeting on 11 November 2003, the decision was made to delist the company's dual-class shares from the O list of the Stockholm Stock Exchange. This took place on 19 March 2004. Since 22 March 2004, the company has instead been on the "Mangold list", a trading post maintained by Mangold Fondkommission.

## Share capital

At the end of the 2013 financial year, share capital in Gotlandsbolaget amounted to SEK 2,776,976 (2,776,976), distributed across 2,500,000 shares with a quotient value of SEK 1.11. The shares are divided into 1,811,693 A-shares with ten votes each, and 688,307 B-shares with one vote each.

## Ownership structure

At the end of the financial year (31 December 2013), there were 2,427 (2,389) shareholders. Around two thirds of the shareholders are Gotland residents. Institutional holdings amounted to 6.0 per cent on 31 December 2013.

## Share price

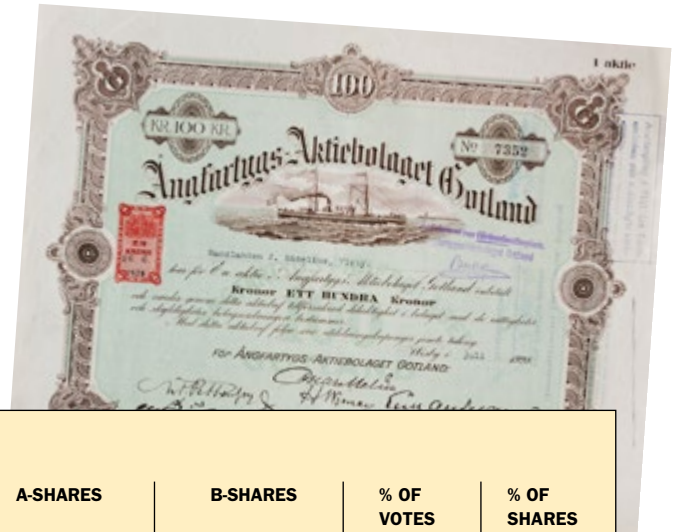
The price of the A-share rose from SEK 720 to SEK 830 and the B-share rose from SEK 710 to SEK 800 during the financial year. The OMXS All Share Index, which reflects the development of the Stockholm Stock Exchange, rose by 23 per cent during the same period.

The highest price paid for an A-share during the financial year was SEK 835, and SEK 810 for a B-share. The lowest price paid for an A-share was SEK 725, and SEK 680 for a B-share. 9,467 shares were traded during the financial year, for a total value of SEK 7.1 million. Rederi AB Gotland's B-share was the more heavily traded of the company's two classes of share during the financial year.

## Dividend policy

The Board has agreed on an objective that dividends should, in principle, reflect growth in reported equity. On 31 December 2013, equity was SEK 2,414 million, compared with SEK 2,291 million as at 31 December 2012. The Board therefore proposes a dividend of SEK 4.55 per share (previous year SEK 4.30).

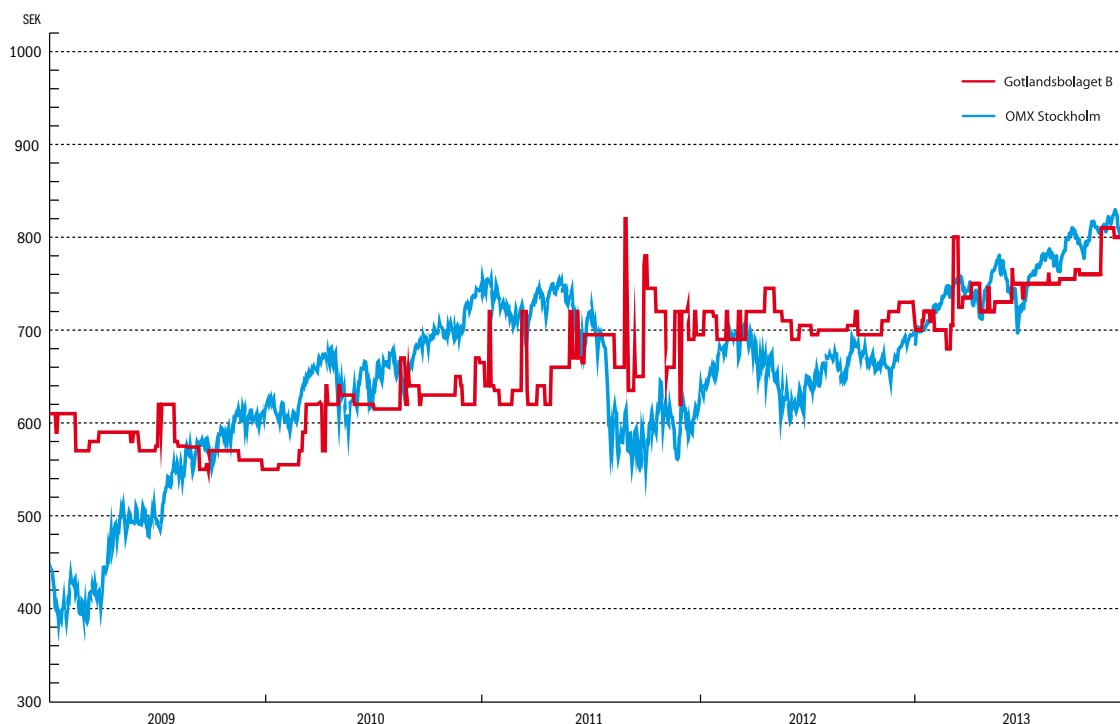
*Ratios per share are shown on page 16.*



OWNERSHIP STRUCTURE, 31 DECEMBER 2013					
	TOTAL	A-SHARES	B-SHARES	% OF VOTES	% OF SHARES
Trojaborg AB (Jan-Eric Nilsson and Ann-Marie Åström)	1,471,181	1,384,543	86,638	74.1%	58.8%
Svenska Stålbjuggen Invest AB (Jonas Åman)	236,630	86,880	149,750	5.4%	9.5%
Tage Johansson and companies	107,381	95,030	12,351	5.0%	4.3%
Redarnas Ömsesidiga Försäkringsbolag	40,900	29,700	11,200	1.6%	1.6%
Förvaltnings AB Grötlingboud	76,611	5,185	71,426	0.7%	3.1%
Köpmansgillet i Visby	27,820	11,250	16,570	0.7%	1.1%
Stiftelsen Mjölkdroppen	28,950	9,650	19,300	0.6%	1.2%
Mats Johansson	30,967	8,536	22,431	0.6%	1.2%
Magnus Wiman and companies	17,182	6,832	10,350	0.4%	0.7%
Visby Stadsmission	13,850	5,500	8,350	0.3%	0.6%
Foreign administrators	7,562	608	6,954	0.1%	0.3%
Other	440,966	167,979	272,987	10.5%	17.6%
<b>Total</b>	<b>2,500,000</b>	<b>1,811,693</b>	<b>688,307</b>	<b>100</b>	<b>100</b>



SHARE PRICE, 1 JANUARY 2009 – 31 DECEMBER 2013



The OMXS All Share Index rose by 23 per cent in 2013.

**SINCE REGISTRATION ON THE STOCKHOLM STOCK EXCHANGE IN 1982, REDERI AB GOTLAND'S SHARE CAPITAL HAS CHANGED AS FOLLOWS:**

YEAR	TRANSACTION	INCREASE/DECREASE OF NO. SHARES	INCREASE/DECREASE OF SHARE CAPITAL (SEK)	TOTAL NO. 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
2011	Redemption/bonus issue	-269,756	+7,220	2,500,000	2,776,976

**BREAKDOWN BY SHAREHOLDING, 31 DECEMBER 2013**

SHAREHOLDING	NO. SHARES	% OF SHARES	NO. SHAREHOLDERS	% OF SHAREHOLDERS
1-200	80,590	3.2%	2,066	85.1%
201-500	58,884	2.4%	178	7.4%
501-1000	63,710	2.6%	88	3.6%
1001-5000	142,459	5.7%	68	2.8%
5001-	2,154,357	86.1%	27	1.1%
<b>Total</b>	<b>2,500,000</b>	<b>100.0</b>	<b>2,427</b>	<b>100.0</b>

Institutional investors held 6.0 per cent of the capital and 4.1 per cent of the votes.

# Board of Directors' report

The Board of Directors and the President for Rederi AB Gotland (publ), corporate identity number 556000-8020, hereby submit the annual financial statements for the 2013 financial year for the Parent Company and the Group. Rederi AB Gotland is a subsidiary of Trojaborg AB, based in Stockholm, corporate identity no. 556339-9574.

## Revenues and profit

The Group's operating profit was SEK 172 (132) million. Profit after financial items rose from SEK 173 million to SEK 178 million. Income amounted to SEK 1,848 (1,811) million.

The growth in profit for the year was positive, primarily within the shipping business, but also within Destination Gotland. Profit for the year relating to hotel property assets has been affected by write-down adjustments amounting to SEK 57 million. This write-down adjustment can be attributed to the former Visby HamnHotell – now Scandic Visby – after completion of investments in its hotel properties. The investments took place between 2009 and 2013, during which time the supply of hotel rooms in Visby increased significantly. Meanwhile, the number of visitors to Gotland has remained relatively unchanged, and so competition in the hotel market in Visby has been fierce. Together, this has led to allowance being made for an identified write-down requirement. Profit relating to vessel assets has been affected by write-down adjustments amounting to SEK 26 million. Total write-down adjustments during the year amount to SEK 83 million.

## Company focus

The business comprises shipping operations in the form of product tankers and passenger vessels, for which the wholly owned subsidiary Destination Gotland AB is responsible for the Gotland service and the wholly-owned subsidiary Gotland Tankers AB is responsible for tanker operations. The company is also engaged in hotel operations in GotlandsResor AB and travel agency operations by way of Gotland Promotion AB.

## Shipping

The Group's fast ferries, M/S Visby, M/S Gotland, HSC Gotlandia and HSC Gotlandia II, were employed on the Gotland service throughout the year. M/S Gute was employed as a backup vessel on the Gotland service throughout the year and was leased out for short periods, including as a replacement vessel on the Bornholm service.

In January 2013 the company took delivery of the second of two newbuildings from the GSI shipyard in China, a 39,000 DWT (Handysize) product tanker. Together with her sister ship M/T Ami, M/T Alice is chartered out on a time-charter basis to Trafigura Maritime Logistics Pte with technical and crew management undertaken by V.Ships UK Ltd.

The Group owns four product tankers comprising sister ships M/T Gotland Carolina and M/T Gotland Marieann with technical and crew management undertaken by Wisby Shipmanagement AB, and M/T Gotland Sofia and M/T Gotland Aliya with technical and crew management undertaken by V.Ships UK Ltd. The vessels are 53,000 DWT each and commercial management is handled by Hafnia Management A/S, apart from M/T Gotland Aliya, which is chartered out on a time-charter basis to Messrs Mansell Ltd. The 75,000 DWT product tanker M/T Anna Victoria was also owned in 2013, with commercial management handled by Straits Tankers.

During the year, the company also owned a 50 per cent interest in sister ships M/T Wisby Verity and M/T Wisby Wave (7,500 DWT each). M/T Wisby Verity, which was sold in December, was chartered out on a bareboat basis to Wisby Tankers AB, while M/T Wisby Wave is now commercially managed by Gothia Tankers AB.

At the start of the year, the Group had a 50 per cent interest in five product tanker sister ships: M/T Tintomara, M/T Tambourin, M/T Tarantella, M/T Amorina, and M/T Allegro. M/T Tarantella was sold in April 2013. These 46,800 DWT vessels are chartered out to the Anglo-Atlantic Steamship group on a bareboat basis.

The company also owns four small high-speed service vessels designed for the offshore wind power sector. These service vessels are operated by Northern Offshore Services A/S and are employed in the North European wind power industry.

## Gotland Tankers AB

The Group's tanker operations are undertaken by Gotland Tankers AB with subsidiaries and other Group companies. The vessels are employed by way of commercial management in pool partnerships or by being chartered on a contract basis. The vessels that are not chartered on a bareboat basis are operated by external parties with responsibility for technical management.

## Destination Gotland AB

Destination Gotland AB, which runs services between Gotland and the Swedish mainland, is a wholly owned subsidiary of Rederi AB Gotland and charters the vessels M/S Visby, M/S Gotland, HSC Gotlandia, and HSC Gotlandia II. The current agreement for the Gotland service with the Swedish Transport Administration runs until the end of January 2015. In 2011, a short-term agreement was signed for another two years until 31 January 2017. Destination Gotland's profit after net financial items was SEK 67 (50) million. Net revenues were SEK 1,210 (1,222) million. The number of passengers using the Gotland service fell by 0.5 per cent compared to the previous year to a total of 1,582,618 (1,590,271), while the number of vehicles increased by 0.8 per cent to 485,328 (481,493).

Destination Gotland has an environmental management system in accordance with ISO 14001. The reduction of harmful emissions into the air and water, primarily with regard to acidifying substances and greenhouse gases, is a special priority. Vessels are powered with low-sulphur fuel, which dramatically reduces emissions of acidifying sulphur compounds. All vessels are also fitted with catalytic converters, which reduce emissions of nitrogen compounds by 80-90%.

Destination Gotland's agreement with the Swedish Transport Administration for the Gotland service is a net agreement in which the company retains the passenger revenues together with a fixed payment from the Swedish Transport Administration for operating the service. Income for the company is regulated in the agreement with the Swedish Transport Administration by a maximum price for each category: passenger, vehicle, or lane metre (cargo). In 2013, the average prices for passengers and vehicles were somewhat lower than in the previous year. For 2013, the total payment from the Swedish Transport Administration amounted to SEK 405 (412) million.

Destination Gotland also has responsibility for the management of M/S Gute.



**GotlandsResor AB**

GotlandsResor AB is responsible for the Group's hotel properties. The company operates Gotland's largest hotel, Scandic Visby. Together with Visby Gustavsvik, the business comprises over 800 beds. The second stage of the former Visby Hamn Hotell was completed in 2013, comprising three new properties and a total of 96 rooms, while the older section containing 80 rooms was taken down. The investment has resulted in a net addition of 16 rooms. In conjunction with the completion of the hotel, a franchise agreement with Scandic was also concluded and the hotel's name changed to Scandic Visby. GotlandsResor's loss after net financial items amounted to SEK -66.5 (+0.4) million. Net revenues were SEK 54.8 (49.5) million. This loss was primarily due to write-down adjustments of the hotel properties and one-off costs related to hotel construction at Scandic Visby and Visby Gustavsvik.

**Investments**

Gross investments for the period amounted to SEK 158 (493) million for the Group and SEK 99 (151) million for the Parent Company. Further shares in Gotlands Stuveri AB were acquired during the year. The total holding, owned by Destination Gotland AB, now amounts to 52 per cent of shares in the company. 25 per cent of shares in Stockholms Reparationsvarv AB were also acquired during the year.

**Risks**

As the company's business is international, it is exposed to foreign currency risks. Currency flows relating to ferry operations are mainly denominated in SEK. Inward and outward payments relating to product tankers are denominated in USD and EUR. The company does not normally hedge these currency flows in relation to SEK. Investments in USD and EUR counteract the foreign currency risk to a certain extent. As a result of the purchase of oil and vessel orders, variations in exchange rates do, however, have an impact. The agreement between Destination Gotland and the Swedish Transport Administration entails a significant risk in terms of fluctuations in the price of oil.

The market risks of fluctuations in demand in the product tanker segment are reduced by the majority of the shipping company's vessels in this segment either being included in pool partnerships or being chartered on long-term contracts. Destination Gotland has a market risk related to demand for travel to and from Gotland.

**The work of the Board of Directors**

The Board of Directors met eight times during the year. At the Annual General Meeting in 2013, Board member Jan-Eric Nilsson was replaced by Björn Nilsson. The position of Chairman held by Jan-Eric was taken over by former Vice Chairman Björn Wolrath, while Ann-Marie Åström took over the position of Vice Chairwoman.

**Financial position**

The Group's liquid assets and current investments amounted to SEK 1,432 (1,150) million. Interest-bearing liabilities amounted to SEK 733 (928) million. The equity ratio was 66.1 (61.4) per cent. Equity per share was SEK 966 (917).

**Parent Company's revenues and profit**

Rederi AB Gotland's profit after financial items amounted to SEK 91 (122) million. Profit after tax amounted to SEK 55 (115) million. Net income was SEK 216 (259) million.

**Events after the end of the reporting period**

The company sold the 75,000 DWT product tanker M/T Anna Victoria in January 2014. In April 2014, Destination Gotland AB concluded a new agreement with the Swedish Transport Administration with regard to the Gotland service for the period 1 February 2017 to 31 January 2027. No significant events have occurred since the end of the financial year with regard to the company's financial position.

**Proposed appropriation of profits**

Parent Company profits at the disposal of the Annual General Meeting:

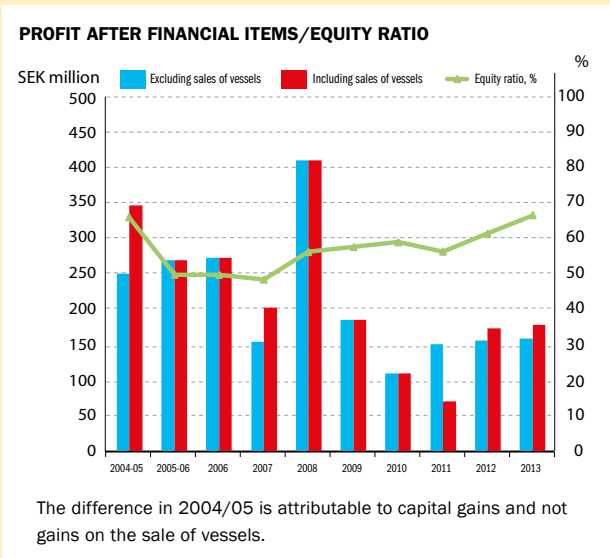
	SEK
Profit brought forward	105,201,939
Profit for the year	55,207,288
	160,409,227

The Board of Directors and the President propose that a dividend of SEK 4.55 be paid to the shareholders

(2,500,000 shares)	11,375,000
To be carried forward	149,034,227
	160,409,227

The payment date for the adopted dividend is estimated to be 27 June 2014. The Board finds the proposed dividend reasonable in view of what is stated in §3, Chapter 17 of the Swedish Companies Act regarding the requirements governed by the nature, scope and risks of the business place in terms of the size of equity and consolidation needs, and the liquidity and general position of the Parent Company and Group.

The statements of comprehensive income and financial position will be presented to the Annual General Meeting on 18 June 2014 for adoption.



## Five-year financial review – Group

	2013	2012	2011	2010	2009
<b>From the statement of comprehensive income</b>					
<b>(SEK million)</b>					
Income	<b>1,848.1</b>	1,811.0	1,809.2	1,759.0	1,703.9
Profit after financial items	<b>178.1</b>	172.6	70.2	108.9	184.4
<b>Return (%)</b>					
-on equity after tax (1)	<b>5.7</b>	9.7	2.6	3.4	6.9
-on capital employed (2)	<b>5.9</b>	6.6	2.6	4.3	6.7
-on assets (3)	<b>5.6</b>	6.2	2.5	4.2	6.5
<b>From the statement of financial position</b>					
<b>(SEK million)</b>					
Non-current assets	<b>2,040.2</b>	2,365.9	2,357.9	2,683.8	2,626.2
Current non-interest-bearing operating liabilities	<b>173.3</b>	195.1	226.7	136.1	137.9
Non-current liabilities	<b>695.4</b>	866.2	851.0	789.2	858.6
Equity	<b>2,413.9</b>	2,291.4	2,088.4	2,231.7	2,169.0
Total assets	<b>3,649.1</b>	3,734.2	3,708.8	3,782.1	3,762.6
Equity ratio (%) (4)	<b>66.1</b>	61.4	56.3	59.0	57.6
<b>Per share (SEK)</b>					
Equity	<b>965.54</b>	916.55	785.90	805.73	783.09
Profit after tax	<b>53.29</b>	85.08	21.47	26.65	52.35
Dividend	<b>4.55*</b>	4.30	3.90	4.15	4.00
<b>Share price at end of accounting period (SEK)</b>					
B-share	<b>800</b>	710	675	645	530
<b>Other</b>					
Gross investments (SEK million)	<b>158</b>	493	298	331	153
Number of employees	<b>463</b>	461	463	403	416
Average number of shares	<b>2,500,000</b>	2,500,000	2,657,358	2,769,756	2,769,756

### 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 non-interest-bearing 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.

# Statement of comprehensive income 2013

SEK thousands	Note	GROUP		PARENT COMPANY	
		2013	2012	2013	2012
Net revenues	1,2	<b>1,808,127</b>	1,762,849	<b>205,735</b>	216,451
Gain on disposal of non-current assets		<b>18,733</b>	40,501	<b>553</b>	40,501
Other income		<b>21,261</b>	7,618	<b>9,673</b>	2,171
<b>Total income</b>		<b>1,848,121</b>	1,810,968	<b>215,961</b>	259,123
<b>Operating expenses</b>					
Other external expenses	2,3	<b>-1,014,153</b>	-1,064,152	<b>-41,865</b>	-34,673
Employee salaries and benefits	4,5	<b>-313,869</b>	-284,666	<b>-9,342</b>	-10,258
Depreciation, vessels	6	<b>-244,915</b>	-293,041	<b>-23,384</b>	-65,378
Depreciation, other non-current assets	7	<b>-18,060</b>	-12,888	<b>-1,660</b>	-1,683
Write-down adjustments		<b>-83,606</b>	-600	<b>-</b>	-
Loss on disposal of non-current assets		<b>-1,162</b>	-23,411	<b>-87</b>	-4,717
<b>Total operating expenses</b>		<b>-1,675,765</b>	-1,678,758	<b>-76,338</b>	-116,709
<b>Operating profit</b>	1	<b>172,356</b>	132,210	<b>139,623</b>	142,414
<b>Result from financial investments</b>					
Result from participations in Group companies	8	<b>1,430</b>	84,562	<b>-56,962</b>	490
Result from securities and receivables which are non-current assets	9	<b>491</b>	406	<b>481</b>	326
Interest income and similar profit/loss items	10	<b>32,378</b>	13,655	<b>16,107</b>	12,671
Interest expenses and similar profit/loss items	11	<b>-28,521</b>	-58,192	<b>-8,185</b>	-34,218
<b>Total result from financial investments</b>		<b>5,778</b>	40,431	<b>-48,559</b>	-20,731
<b>Profit after financial items</b>		<b>178,134</b>	172,641	<b>91,064</b>	121,683
Appropriations					
Reversal of depreciation over plan, vessels		<b>-</b>	-	<b>22,997</b>	29,390
Change in tax allocation reserve		<b>-</b>	-	<b>-26,935</b>	-
Tax for the year	12	<b>-44,897</b>	40,171	<b>-31,919</b>	-36,341
Minority share of profit for the year		<b>-</b>	-108	<b>-</b>	-
<b>PROFIT FOR THE YEAR</b>		<b>133,237</b>	212,704	<b>55,207</b>	114,732
<b>Per-share data</b>					
Earnings per share after tax, SEK		<b>53.29</b>	85.08		
Average number of shares		<b>2,500,000</b>	2,500,000		



# Statement of financial position as at 31 December 2013

ASSETS <i>SEK thousands</i>	Note	GROUP		PARENT COMPANY	
		31 Dec 2013	31 Dec 2012	31 Dec 2013	31 Dec 2012
<b>Non-current assets</b>					
<b>Intangible assets</b>					
Goodwill		2,354	3,264	-	-
<b>Property, plant and equipment</b>					
Vessels	6	1,847,903	2,030,816	71,293	94,677
Newbuilding contracts, vessels, & newbuilding projects, hotels	13	85	125,583	-	95,169
Buildings and land	7	129,533	125,303	37,889	39,270
Equipment	7	35,919	19,229	2,135	1,124
Total property, plant and equipment		2,013,440	2,300,931	111,317	230,240
<b>Financial assets</b>					
Participations in Group companies	14	-	-	154,461	154,361
Participations in associates	15	5,625	-	5,425	-
Receivables from Group companies	16	-	-	500,678	405,453
Other investments held as non-current assets	17	1,349	11,478	5	502
Deferred tax assets	23	-	27,568	-	27,568
Other non-current receivables	18	17,413	22,695	637	687
Total financial assets		24,387	61,741	661,206	588,571
<b>Total non-current assets</b>		<b>2,040,181</b>	<b>2,365,936</b>	<b>772,523</b>	<b>818,811</b>
<b>Current assets</b>					
<b>Inventories</b>					
Finished goods and goods for resale		8,574	8,778	-	-
<b>Current receivables</b>					
Trade receivables		25,180	30,796	2,270	6,269
Other receivables		92,237	151,604	74,732	59,476
Prepaid expenses and accrued income	19	50,701	27,421	3,292	4,097
Total current receivables		168,118	209,821	80,294	69,842
Current investments	20	635,732	679,777	635,732	679,777
Cash and bank balances	21	796,514	469,853	721,462	330,211
Total current assets		1,608,938	1,368,229	1,437,488	1,079,830
<b>TOTAL ASSETS</b>		<b>3,649,119</b>	<b>3,734,165</b>	<b>2,210,011</b>	<b>1,898,641</b>

**Statement of financial position as at 31 December 2013**

<b>LIABILITIES AND EQUITY</b> <i>SEK thousands</i>	Note	<b>GROUP</b>		<b>PARENT COMPANY</b>	
		<b>31 Dec 2013</b>	31 Dec 2012	<b>31 Dec 2013</b>	31 Dec 2012
<b>Equity</b>	22				
<b>Restricted equity</b>					
Share capital		<b>2,777</b>	2,777	<b>2,777</b>	2,777
Restricted reserves		<b>1,012,019</b>	961,478	<b>2,480</b>	2,480
<b>Total restricted equity</b>		<b>1,014,796</b>	964,255	<b>5,257</b>	5,257
<b>Non-restricted equity</b>					
Non-restricted reserves		<b>1,265,827</b>	1,114,414	<b>105,202</b>	-45,616
Profit for the year		<b>133,237</b>	212,704	<b>55,207</b>	114,732
<b>Total non-restricted equity</b>		<b>1,399,064</b>	1,327,118	<b>160,409</b>	69,116
<b>Total equity</b>		<b>2,413,860</b>	2,291,373	<b>165,666</b>	74,373
<b>Untaxed reserves</b>					
Accumulated depreciation over plan, vessels		-	-	<b>72,479</b>	95,476
Tax allocation reserves		-	-	<b>89,333</b>	62,398
<b>Total untaxed reserves</b>				<b>161,812</b>	157,874
<b>Minority interests</b>					
Minority interests		<b>6,252</b>	185	-	-
<b>Provisions</b>					
Pension provisions		-	199	-	199
Provisions for deferred tax	23	<b>311,526</b>	311,921	-	-
Other provisions		<b>3,036</b>	-	-	-
<b>Total provisions</b>		<b>314,562</b>	312,120	<b>0</b>	199
<b>Non-current liabilities</b>					
Liabilities to credit institutions	24	<b>687,025</b>	858,452	<b>319,086</b>	345,520
Liabilities to Group companies	25	-	-	<b>1,505,465</b>	1,238,683
Other non-current liabilities		<b>8,360</b>	7,760	<b>6,460</b>	6,460
<b>Total non-current liabilities</b>		<b>695,385</b>	866,212	<b>1,831,011</b>	1,590,663
<b>Current liabilities</b>					
Liabilities to credit institutions	24	<b>45,738</b>	69,217	<b>26,406</b>	26,759
Trade payables		<b>44,357</b>	61,936	<b>2,325</b>	3,528
Tax liabilities		<b>18,808</b>	39,421	<b>18,164</b>	39,421
Other liabilities		<b>4,366</b>	6,861	<b>492</b>	1,199
Accrued expenses and deferred income	26	<b>105,791</b>	86,840	<b>4,135</b>	4,625
<b>Total current liabilities</b>		<b>219,060</b>	264,275	<b>51,522</b>	75,532
<b>TOTAL LIABILITIES AND EQUITY</b>		<b>3,649,119</b>	3,734,165	<b>2,210,011</b>	1,898,641
<b>Pledged assets and contingent liabilities</b>					
Pledged assets	27	<b>1,287,854</b>	1,605,268	<b>710,179</b>	692,079
Contingent liabilities	28	-	-	<b>668,574</b>	799,165

# Statement of cash flows

SEK thousands	Note	GROUP		PARENT COMPANY	
		2013	2012	2013	2012
<b>Operating activities</b>					
Profit after financial items		<b>178,134</b>	172,641	<b>91,064</b>	121,683
Adjustments for non-cash income and expenses					
Amortisation and write-down adjustments of financial assets	6, 7, 14	<b>359,517</b>	306,529	<b>82,044</b>	67,061
Gain/loss from sales		<b>-17,545</b>	-113,594	-	-35,784
Exchange rate differences		<b>6,984</b>	34,484	<b>1,165</b>	26,213
		<b>527,090</b>	400,060	<b>174,273</b>	179,173
Tax paid		<b>-98,323</b>	3,510	<b>-65,849</b>	416
<b>Cash flow from operating activities before changes in working capital</b>		<b>428,767</b>	403,570	<b>108,424</b>	179,589
Changes in working capital					
Change in inventories		<b>203</b>	-131	-	-
Change in current receivables		<b>85,194</b>	-89,686	<b>29,788</b>	-49,303
Change in current liabilities		<b>-10,226</b>	-26,183	<b>-2,951</b>	-50,879
<b>Cash flow from operating activities</b>		<b>503,938</b>	287,570	<b>135,261</b>	79,407
<b>Investment activities</b>					
Acquisition of property, plant and equipment		<b>-653</b>	-	-	-
Acquisition of vessels and newbuilding contracts	6, 13	<b>-96,765</b>	-439,035	<b>-96,765</b>	-141,665
Acquisition of other property, plant and equipment	7, 13	<b>-58,735</b>	-54,263	<b>-1,851</b>	-9,388
Acquisition of subsidiaries		<b>-1,403</b>	-	-	-
Sale of vessels		<b>121,476</b>	223,665	<b>191,934</b>	235,442
Sale of other non-current assets		<b>654</b>	324	<b>561</b>	184
Sale of subsidiaries	29	-	-54,998	-	-
Change in other financial assets		<b>2,024</b>	-2,708	<b>-4,978</b>	-59,991
<b>Cash flow from investing activities</b>		<b>-33,402</b>	-327,015	<b>88,901</b>	24,582
<b>Financing activities</b>					
Borrowings		<b>110,320</b>	187,545	-	22,279
Amortisation of liabilities		<b>-288,977</b>	-184,976	<b>-26,579</b>	-25,000
Changes in inter-company transactions	16, 25	-	-	<b>161,392</b>	-258,060
Dividend to shareholders		<b>-10,750</b>	-9,750	<b>-10,750</b>	-9,750
<b>Cash flow from financing activities</b>		<b>-189,407</b>	-7,181	<b>124,063</b>	-270,531
Change in cash and cash equivalents		<b>281,129</b>	-46,626	<b>348,225</b>	-166,542
Cash and cash equivalents at beginning of year		<b>1,149,630</b>	1,222,470	<b>1,009,988</b>	1,202,743
Cash and cash equivalents from company acquisitions		<b>2,506</b>	-	-	-
Exchange rate difference in cash and cash equivalents		<b>-1,019</b>	-26,214	<b>-1,019</b>	-26,213
<b>Cash and cash equivalents at year-end</b>		<b>1,432,246</b>	1,149,630	<b>1,357,194</b>	1,009,988



# Accounting and valuation policies

## 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 apart from BFNAR 2008:1 Annual Accounts in Small Limited Companies (K2 rules). 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 the additional information provided are unchanged from last year, apart from the separate recognition of participations in associates under financial assets (see below).

## Valuation policies

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

## Income

Income 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. State subsidies are reported at fair value where there is reasonable assurance that the subsidy will be received and all associated conditions will be met. A state subsidy attributable to expected costs is reported as deferred income. The subsidy is taken up as income in the period in which the costs that the state subsidy is intended to compensate arise.

## Receivables and liabilities in foreign currency

The receivables and liabilities in foreign currency of the Parent Company and Swedish Group companies have been translated at the rate as at the end of the accounting period with the following exceptions. The non-current 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 operating 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 financial statements

The consolidated financial statements have been prepared in accordance with RR1:00 "Consolidated Financial Statements". The consolidated financial statements relate to 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 financial statements. These are instead divided between equity and deferred tax liabilities.

The consolidated financial statements 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 companies. This means that statements of financial position are translated at the rate on the transaction date, except monetary items, which are translated at the rate at the end of the accounting period. Statements of comprehensive income are translated at the average rate, except depreciation, which is translated at

the rate on the transaction date for each asset. The translation differences are reported under financial items in the statement of comprehensive income.

## Taxes, including deferred taxes

Taxes are reported in accordance with 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 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 the end of each accounting period.

## Receivables

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

## Inventories

Inventories are reported in accordance with RR2:02 "Inventories". Inventories are valued, applying the first-in/first-out principle, at the lower of cost and the net realisable value at the end of the accounting period.

## Non-current assets

Non-current assets are reported in accordance with RR12 "Property, plant and equipment" and RR15 "Intangible assets". Interest on capital borrowed to finance the production of an asset is not included in the cost. All types of non-current assets are depreciated/amortised on a straight-line basis. For the depreciation/amortisation periods applied, see the relevant notes for the non-current assets. Where the value reported exceeds the calculated recoverable amount, the value reported is written down directly to this recoverable amount.

"Associated companies" refers to companies that are not subsidiaries but in which the Parent Company directly or indirectly holds at least 20 per cent of the votes for all participations, or otherwise has a significant influence.

## Leases

Leases are reported in accordance with RR6:99 "Leases". All leases are treated as operational leases. The costs of operational leases are small amounts.

## Statement of cash flows

The statement of cash flows is reported in accordance with RR7 "Cash flow reporting". The statement of cash flows has been prepared using the indirect method. The cash flow reported only includes transactions that involve inward or outward payments. Cash and cash equivalents are classified as bank balances plus current financial investments.

## Borrowings

Borrowings are initially reported as the amount received less transaction costs. If the amount reported differs from the amount to be repaid at the due date, the difference is distributed as interest expense or interest income over the term of the loan. As a result, the amount reported and the amount to be repaid match at the due date.

# Notes to the consolidated and Parent Company financial statements

Amounts in SEK thousands unless stated otherwise

## Note 1 NET REVENUES AND OPERATING PROFIT BY SEGMENT

Net revenues	GROUP		PARENT COMPANY	
	2013	2012	2013	2012
Shipping operations	403,650	375,354	205,735	216,451
Passenger and freight traffic 1)	1,210,271	1,221,660	-	-
Travel agency operations	104,343	115,838	-	-
Hotel operations	54,835	49,997	-	-
Other 2)	35,028	-	-	-
<b>Total</b>	<b>1,808,127</b>	<b>1,762,849</b>	<b>205,735</b>	<b>216,451</b>

1) Regarding Destination Gotland AB. The company's revenues include SEK 405 (412) million as payment from the Swedish Transport Administration for the ferry services provided, and SEK 60 (61) million as payment for shipping support, which is proportionate to employer contributions and tax deductions on shipping income.

2) Regarding Gotlands Stuveri AB, which as of 2013 is 52 per cent owned by Destination Gotland AB.

## Operating profit

	GROUP	
	2013	2012
Shipping operations	168,260	80,593
Passenger and freight traffic	67,599	49,680
Travel agency operations	1,510	1,669
Hotel operations	-66,517	268
Other	1,504	-
<b>Total</b>	<b>172,356</b>	<b>132,210</b>

## Note 2 RELATED PARTY TRANSACTIONS

### Percentage of purchases and sales relating to Group companies

	PARENT COMPANY	
	2013	2012
Sale of internal services	90%	75%
Purchase of internal services	0%	0%

Jan-Eric Nilsson, Chairman of the Board until the AGM in May 2013, was paid compensation and benefits amounting to SEK 543 (899) thousand as well as pension costs amounting to SEK 400 (572) thousand. Ann-Marie Åström, Vice Chair of the Board, was paid a salary and holiday pay amounting to SEK 1,332 (2,004) thousand, as President of Gotland Tankers AB, up until May when this position was taken over by Jonas Kamstedt. Since then, Ann-Marie Åström has been remunerated for Board duties in the Group amounting to SEK 250 (0) thousand. The Board prepares and approves remuneration to the President and the Chairman of the Board. No variable remuneration is paid to senior management.

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

- Advokatfirman Bill Andréasson SEK 153 (158) thousand
- Skarp Stockholm Advokatbyrå AB (Peter J. Lindskog) SEK 330 (693) thousand

## Note 3 OTHER EXTERNAL EXPENSES

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

	GROUP		PARENT COMPANY	
	2013	2012	2013	2012
<i>Ernst &amp; Young AB</i>				
Audit assignments	-	1,886	-	1,078
Auditing activities other than auditing assignments	-	48	-	-
Tax consultancy	-	-	-	-
Other services	-	-	-	-
<i>Öhrlings PriceWaterhouseCoopers AB</i>				
Audit assignments	1,622	986	1,294	489
Auditing activities other than auditing assignments	73	48	-	30
Tax consultancy	28	-	-	-
Other services	17	12	5	14
<b>Total</b>	<b>1,740</b>	<b>2,980</b>	<b>1,299</b>	<b>1,611</b>

"Audit assignments" refers to the auditor's work on the statutory audit, while "auditing activities" refers to other types of quality assurance services.

"Other services" are those that are not included in audit assignments, auditing activities, or tax consultancy.

**Notes to the consolidated and Parent Company financial statements**

**Note 4 EMPLOYEE SALARIES AND BENEFITS AND PAYMENTS TO THE BOARD OF DIRECTORS AND MANAGEMENT**

Salaries, other remuneration, and social security expenses	2013		2012	
	Salaries and other remuneration	Social security expenses	Salaries and other remuneration	Social security expenses
Parent Company	7,893	2,367	9,661	4,321
Of which pension expenses 1)		(1,215)		(1,839)
Group companies	189,828	78,300	185,691	74,017
Of which pension expenses 2)		(18,011)		(16,500)
<b>Group total</b>	<b>197,721</b>	<b>80,667</b>	195,352	78,338

1) Of the Parent Company's pension costs, SEK 999 (906) thousand relates to the Board and the President.

The company has no outstanding pension commitments to these officers, either this year or last year.

2) Of the Group's pension costs, SEK 2,294 (1,802) thousand relates to the Board and President of the Group.

The company has no outstanding pension commitments to these officers, either this year or last year.

**Salaries and other remuneration divided between the Board/President and other employees**

	2013		2012	
	Board and President	Other employees	Board and President	Other employees
Parent Company	3,434	4,459	3,462	3,045
Group companies in Sweden	7,035	182,611	5,819	179,234
Group companies abroad	182	-	638	-
<b>Group total</b>	<b>10,651</b>	<b>187,070</b>	9,919	182,279

**Note 5 AVERAGE NUMBER OF EMPLOYEES, ETC.**

Number of employees	GROUP		PARENT COMPANY	
	2013	2012	2013	2012
Average number of employees in Sweden	234	233	5	4
Women	229	228	9	8
Men	463	461	14	12

**Board members and senior management**

	PARENT COMPANY	
	2013	2012
Women	2	2
Men	8	8

**Note 6 VESSELS**

Depreciation according to plan for the fast ferries M/S Visby, M/S Gotland, HSC Gotlandia, and HSC Gotlandia II is based on an economic life of 10 years from the year of construction. For conventional ferries, the depreciation period is 20 years. For product tankers, the depreciation period is 15 years with 10 per cent residual value.

	GROUP		PARENT COMPANY	
	31 Dec 2013	31 Dec 2012	31 Dec 2013	31 Dec 2012
<b>Accumulated costs</b>				
At the start of the year	4,032,301	3,939,800	1,069,480	1,208,125
New acquisitions during the year	96,765	337,214	-	39,845
Reclassification	95,169	196,256	-	196,256
Disposals for the year	-176,955	-440,969	-	-374,746
<b>Total accumulated costs</b>	<b>4,047,280</b>	4,032,301	<b>1,069,480</b>	1,069,480
<b>Accumulated depreciation and write-down adjustments according to plan</b>				
At start of year	-2,001,485	-1,942,837	-974,803	-1,084,513
Disposals for the year	73,023	234,393	-	175,088
Depreciation for the year according to plan	-244,915	-293,041	-23,384	-65,378
Write-down adjustments for the year	-26,000	-	-	-
<b>Total accumulated depreciation and write-down adjustments according to plan</b>	<b>-2,199,377</b>	-2,001,485	<b>-998,187</b>	-974,803
<b>Planned residual value at year-end</b>	<b>1,847,903</b>	2,030,816	<b>71,293</b>	94,677

**The Group:** Of the total balance sheet item of SEK 1,847,903 (2,030,816) thousand, operational leases account for SEK 548,502 (835,634) thousand.

**Parent Company:** Of the total balance sheet item of SEK 71,293 (94,677) thousand, operational leases account for SEK 37,255 (94,677) thousand.

Some subsidiaries that own tankers have signed option agreements with the operator of the tanker. The agreements mean that the operators are entitled to acquire the vessel at a given acquisition price at certain times. Where the redemption price is lower than the expected book value at the time of redemption, the value is written down to the redemption price.



**Notes to the consolidated and Parent Company financial statements**

**Note 7 OTHER NON-CURRENT ASSETS**

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

<b>BUILDINGS AND LAND</b>	<b>GROUP</b>		<b>PARENT COMPANY</b>	
	<b>31 Dec 2013</b>	31 Dec 2012	<b>31 Dec 2013</b>	31 Dec 2012
<b>Accumulated costs</b>				
At start of year	<b>168,246</b>	156,095	<b>61,794</b>	52,587
Acquisitions during the year	<b>55,991</b>	12,151	-	9,207
Reclassifications	<b>12,406</b>	-	-	-
<b>Total accumulated costs</b>	<b>236,643</b>	168,246	<b>61,794</b>	61,794
<b>Accumulated depreciation and write-down adjustments according to plan</b>				
At start of year	<b>-43,143</b>	-37,385	<b>-22,724</b>	-21,437
Write-down adjustments for the year	<b>-57,606</b>	-600	-	-
Depreciation for the year according to plan	<b>-6,559</b>	-5,158	<b>-1,379</b>	-1,287
<b>Total accumulated depreciation and write-down adjustments according to plan</b>	<b>-107,308</b>	-43,143	<b>-24,103</b>	-22,724
<b>Accumulated revaluation</b>				
At start of year	<b>200</b>	202	<b>200</b>	202
Depreciation for the year according to plan	<b>-2</b>	-2	<b>-2</b>	-2
<b>Total accumulated revaluation</b>	<b>198</b>	200	<b>198</b>	200
<b>Planned residual value at year-end</b>	<b>129,533</b>	125,303	<b>37,889</b>	39,270

**EQUIPMENT**

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

	<b>GROUP</b>		<b>PARENT COMPANY</b>	
	<b>31 Dec 2013</b>	31 Dec 2012	<b>31 Dec 2013</b>	31 Dec 2012
<b>Accumulated costs</b>				
At start of year	<b>55,908</b>	46,567	<b>7,135</b>	7,782
New acquisitions during the year	<b>13,004</b>	11,698	<b>1,864</b>	181
Reclassifications	<b>14,276</b>	-	-	-
Divestments and disposals for the year	<b>-2,003</b>	-2,357	<b>-1,562</b>	-828
<b>Total accumulated costs</b>	<b>81,185</b>	55,908	<b>7,437</b>	7,135
<b>Accumulated depreciation according to plan</b>				
At start of year	<b>-36,679</b>	-32,217	<b>-6,011</b>	-6,261
Divestments and disposals for the year	<b>1,349</b>	2,034	<b>988</b>	644
Depreciation for the year according to plan	<b>-9,936</b>	-6,496	<b>-279</b>	-394
<b>Total accumulated depreciation according to plan</b>	<b>-45,266</b>	-36,679	<b>-5,302</b>	-6,011
<b>Planned residual value at year-end</b>	<b>35,919</b>	19,229	<b>2,135</b>	1,124

Depreciation for the year on other non-current assets amounts to SEK 6,561 thousand for Buildings and Land, SEK 9,936 thousand for Equipment, and SEK 1,563 thousand for Goodwill.

**Note 8 RESULT FROM PARTICIPATIONS IN GROUP COMPANIES**

	<b>GROUP</b>		<b>PARENT COMPANY</b>	
	<b>2013</b>	2012	<b>2013</b>	2012
Dividend	<b>1,430</b>	490	<b>38</b>	490
Gain/loss from sales	-	84,251	-	-
Write-down adjustments	-	-179	<b>-57,000</b>	-
<b>Total</b>	<b>1,430</b>	84,562	<b>-56,962</b>	490

**Note 9 RESULT FROM SECURITIES AND RECEIVABLES ACCOUNTED FOR AS NON-CURRENT ASSETS**

	<b>GROUP</b>		<b>PARENT COMPANY</b>	
	<b>2013</b>	2012	<b>2013</b>	2012
Dividend	<b>491</b>	406	<b>481</b>	326
Write-down adjustments	-	-	-	-
<b>Total</b>	<b>491</b>	406	<b>481</b>	326

**Notes to the consolidated and Parent Company financial statements**

**Note 10 INTEREST INCOME AND SIMILAR PROFIT/LOSS ITEMS**

	GROUP		PARENT COMPANY	
	2013	2012	2013	2012
Interest income	<b>16,731</b>	13,575	<b>16,107</b>	12,671
Exchange rate differences	<b>15,647</b>	80	-	-
<b>Total</b>	<b>32,378</b>	13,655	<b>16,107</b>	12,671

**Note 11 INTEREST EXPENSES AND SIMILAR PROFIT/LOSS ITEMS**

	GROUP		PARENT COMPANY	
	2013	2012	2013	2012
Interest expenses	<b>-17,473</b>	-23,631	<b>-7,166</b>	-8,687
Write-down adjustment of financial assets and reversed write-down adjustments	<b>-9,747</b>	-	-	-
Exchange rate differences	<b>-1,301</b>	-34,561	<b>-1,019</b>	-25,531
<b>Total</b>	<b>-28,521</b>	-58,192	<b>-8,185</b>	-34,218

**Note 12 TAX FOR THE YEAR**

	GROUP		PARENT COMPANY	
	2013	2012	2013	2012
Current tax for the year	<b>-19,079</b>	8,725	<b>8,859</b>	9,228
Tax attributable to Group contributions	-	-	<b>-13,210</b>	-73,137
Deferred tax attributable to loss carry-forward	<b>-27,568</b>	28,179	<b>-27,568</b>	27,568
Deferred tax attributable to temporary differences in assets	<b>16,224</b>	17,495	-	-
Deferred tax attributable to temporary differences in provisions	<b>-4,930</b>	-	-	-
Deferred tax attributable to change in tax rate	-	60,923	-	-
Deferred tax attributable to change in untaxed reserves in legal entities	<b>-9,544</b>	-75,151	-	-
<b>Total</b>	<b>-44,897</b>	40,171	<b>-31,919</b>	-36,341

**Note 13 NEWBUILDING CONTRACTS, VESSELS & NEWBUILDING PROJECTS, HOTELS**

	GROUP		PARENT COMPANY	
	31 Dec 2013	31 Dec 2012	31 Dec 2013	31 Dec 2012
At start of year	<b>125,583</b>	189,605	<b>95,169</b>	189,605
New acquisitions for newbuilding contracts for the year	-	132,234	<b>96,765</b>	101,820
Construction contracts in progress	<b>85</b>	-	-	-
Reclassification	<b>-125,583</b>	-196,256	-	-
Disposals	-	-	<b>-191,934</b>	-196,256
<b>Carrying amount at year-end</b>	<b>85</b>	125,583	<b>0</b>	95,169

Of which, at the year-end, newbuilding contracts for vessels amounted to SEK 0 (95) million and newbuilding projects for hotels amounted to SEK 0 (30) million.

**Notes to the consolidated and Parent Company financial statements**

**Note 14 PARTICIPATIONS IN GROUP COMPANIES**

	PARENT COMPANY	
	31 Dec 2013	31 Dec 2012
Opening cost	154,361	94,316
Acquisitions during the year	100	62,200
Disposals during the year	-	-2,155
Shareholder contributions	57,000	-
Write-down adjustments	-57,000	-
<b>Carrying amount at year-end</b>	<b>154,461</b>	154,361

**Specification of Group's shareholdings and participations in Group companies**

Swedish Group companies	Corp. ID. no.	Based	Number	Carrying amount	Equity & share of votes %
Destination Gotland AB	556038-2342	Gotland	5,000	80,046	100
GotlandsResor AB	556141-1009	Gotland	500	2,507	100
Gamla Wisby Bryggeri AB	556035-4341	Gotland	4,320	890	100
Gotlandsbolaget AB	556643-7850	Gotland	1,000	100	100
Rederi AB Vändburg	556496-2222	Gotland	1,000	1,550	100
Gotland Tankers AB	556762-3342	Gotland	1,000	68,100	100
Rederi AB Lauter	556815-1293	Gotland	1,000	50	100
Rederi AB Djupvik	556815-1160	Gotland	1,000	50	100
Rederi AB Kyllaj	556864-0931	Gotland	500	50	100
Rederi AB Burgsvik	556864-0949	Gotland	500	50	100
Rederi AB Asunden	556899-3892	Gotland	500	50	100
Rederi AB Botvaldevik	556899-3884	Gotland	500	50	100
Sundre Rederi AB	556937-7764	Gotland	500	50	100
Halshuk Rederi AB	556937-7756	Gotland	500	50	100
Dormant companies				868	
<b>Carrying amount at year-end</b>				<b>154,461</b>	

The following companies are sub-subsidiaries of Rederi AB Gotland, with their respective owner companies

**Gotland Tankers AB**

Rederi AB Torsburgen	Gotland	100
Rederi AB Gute	Gotland	100
Rederi AB Ljugarn	Gotland	100
Rederi AB Klintehamn	Gotland	100
Rederi AB Kappelshamn	Gotland	100
Rederi AB Katthammarsvik	Gotland	100
Rederi AB Gnisvärd	Gotland	100
Rederi AB Västergarn	Gotland	100
Gotland Class Shipping KB	Gotland	100

**Destination Gotland AB**

Gotland Promotion	Gotland	100
Gotlands Stuveri AB	Gotland	52

**Gotlandsbolaget AB**

Gotland Shipping (Bahamas) Ltd	Bahamas	100
Gotland Shipping AG	Switzerland	100

**Note 15 PARTICIPATIONS IN ASSOCIATES**

	GROUP		PARENT COMPANY	
	31 Dec 2013	31 Dec 2012	31 Dec 2013	31 Dec 2012
At start of year	-	-	-	-
New acquisitions for the year	5,225	-	5,225	-
Disposals/write-down adjustments for the year	-	-	-	-
Reclassification for the year	400	-	200	-
<b>Carrying amount at year-end</b>	<b>5,625</b>	0	<b>5,425</b>	0

**Specification of associates**

	Corp. ID. no.	Based	Number	Carrying amount	Equity & share of votes %
Stockholms Reparationsvarv	556426-2391	Stockholm	250	5,225	25
Vic Tvätten	556094-3549	Gotland	400	400	34.8
<b>Total Group</b>				<b>5,625</b>	

Of which Parent Company:

Stockholms Reparationsvarv	556426-2391	Stockholm	250	5,225	25
Vic Tvätten	556094-3549	Gotland	200	200	17.4

**Total Parent Company**

**5,425**

**Notes to the consolidated and Parent Company financial statements**

**Note 16 RECEIVABLES FROM GROUP COMPANIES**

	PARENT COMPANY	
	31 Dec 2013	31 Dec 2012
At start of year	405,453	396,704
Additional receivables	175,133	264,164
Receivables settled	-79,908	-255,415
<b>Carrying amount at year-end</b>	<b>500,678</b>	405,453

**Note 17 OTHER NON-CURRENT SECURITIES**

	GROUP		PARENT COMPANY	
	31 Dec 2013	31 Dec 2012	31 Dec 2013	31 Dec 2012
At start of year	11,478	11,258	502	502
New acquisitions during the year	160	220	-	-
Disposals for the year	-	-	-	-
Write-down adjustments	-9,557	-	-	-
Reclassifications	-732	-	-497	-
<b>Carrying amount at year-end</b>	<b>1,349</b>	11,478	<b>5</b>	502

**Note 18 OTHER NON-CURRENT RECEIVABLES**

	GROUP		PARENT COMPANY	
	31 Dec 2013	31 Dec 2012	31 Dec 2013	31 Dec 2012
At start of year	22,695	22,307	687	741
Reclassification	-5,467	-	-	-
Additional receivables	235	388	-	-
Receivables settled	-50	-	-50	-54
<b>Carrying amount at year-end</b>	<b>17,413</b>	22,695	<b>637</b>	687

**Note 19 PREPAID EXPENSES AND ACCRUED INCOME**

	GROUP		PARENT COMPANY	
	31 Dec 2013	31 Dec 2012	31 Dec 2013	31 Dec 2012
Prepaid expenses	49,014	27,421	1,605	4,097
Other accrued income	1,687	-	1,687	-
<b>Carrying amount at year-end</b>	<b>50,701</b>	27,421	<b>3,292</b>	4,097

**Note 20 CURRENT INVESTMENTS**

	GROUP		PARENT COMPANY	
	31 Dec 2013	31 Dec 2012	31 Dec 2013	31 Dec 2012
Current investments in SEK	635,732	679,777	635,732	679,777
<b>Carrying amount at year-end</b>	<b>635,732</b>	679,777	<b>635,732</b>	679,777

Money market investments in banks or commercial paper with low risk.

**Note 21 BANK OVERDRAFT FACILITIES**

A bank overdraft facility of SEK 30,000 thousand has been granted, of which SEK 24,007 thousand has been utilised.



**Notes to the consolidated and Parent Company financial statements**

**Note 22 EQUITY**

**Share capital**

	Number	Quotient value SEK
<b>Class of share</b>		
A Non-restricted (quota value 1.11)	1,811,693	<b>2,012,411</b>
B Non-restricted (quota value 1.11)	688,307	<b>764,565</b>
<b>Total</b>	2,500,000	<b>2,776,976</b>

All shares are fully paid up.

**Changes in equity**

There were the following changes in the equity of the Group and Parent Company during the year:

<b>GROUP</b>	<b>Share capital</b>	<b>Restricted reserves</b>	<b>Non-restricted reserves</b>	<b>Profit for the year</b>	<b>Total</b>
Opening equity 1 Jan 2013	2,777	961,478	1,114,414	212,704	2,291,373
Appropriation of profits according to AGM resolution					
Carried forward			212,704	-212,704	-
Dividend			-10,750		-10,750
Transfer between restricted and non-restricted equity		50,541	-50,541		-
Profit for the year				133,237	133,237
<b>Carrying amount at year-end</b>	<b>2,777</b>	<b>1,012,019</b>	<b>1,265,827</b>	<b>133,237</b>	<b>2,413,860</b>
<b>PARENT COMPANY</b>	<b>Share capital</b>	<b>Statutory reserve</b>	<b>Profit brought forward</b>	<b>Profit for the year</b>	<b>Total</b>
Opening equity 1 Jan 2013	2,777	2,480	-45,616	114,732	74,373
Appropriation of profits according to AGM resolution					
Carried forward			114,732	-114,732	-
Dividend			-10,750		-10,750
Group contributions for the year			60,046		60,046
Tax effect of Group contributions for the year			-13,210		-13,210
Profit for the year				55,207	55,207
<b>Carrying amount at year-end</b>	<b>2,777</b>	<b>2,480</b>	<b>105,202</b>	<b>55,207</b>	<b>165,666</b>

**Note 23 DEFERRED TAX**

	<b>GROUP</b>		<b>PARENT COMPANY</b>	
	<b>31 Dec 2013</b>	31 Dec 2012	<b>31 Dec 2013</b>	31 Dec 2012
Deferred tax assets attributable to loss carry-forward	-	-27,568	-	-27,568
Deferred tax assets attributable to temporary differences in assets	<b>8,632</b>	19,926	-	-
Deferred tax liabilities attributable to untaxed reserves in legal entities	<b>302,894</b>	291,995	-	-
<b>Carrying amount at year-end</b>	<b>311,526</b>	284,353	<b>0</b>	-27,568

**Note 24 LIABILITIES TO CREDIT INSTITUTIONS**

	<b>GROUP</b>		<b>PARENT COMPANY</b>	
	<b>31 Dec 2013</b>	31 Dec 2012	<b>31 Dec 2013</b>	31 Dec 2012
Due date 0-1 years from end of accounting period	<b>45,738</b>	69,217	<b>26,406</b>	26,759
Due date 1-5 years from end of accounting period	<b>184,011</b>	213,909	<b>105,738</b>	345,520
Due date over 5 years from end of accounting period	<b>503,014</b>	644,543	<b>213,348</b>	-
<b>Carrying amount at year-end</b>	<b>732,763</b>	927,669	<b>345,492</b>	372,279

Of the Group's liabilities to credit institutions, 387,025 (564,259) is in USD, 300,000 (325,000) is in SEK, and the rest is in EUR.

Of the Parent Company's liabilities to credit institutions, 300,000 (325,000) is in SEK and the rest is in USD.

**Note 25 LIABILITIES TO GROUP COMPANIES**

	<b>PARENT COMPANY</b>	
	<b>31 Dec 2013</b>	31 Dec 2012
At start of year	<b>1,238,683</b>	1,209,905
Additional liabilities	<b>354,623</b>	235,075
Liabilities settled	<b>-87,841</b>	-206,297
<b>Carrying amount at year-end</b>	<b>1,505,465</b>	1,238,683

These liabilities fall due for payment on demand.

**Notes to the consolidated and Parent Company financial statements**

**Note 26 ACCRUED EXPENSES AND DEFERRED INCOME**

	<b>GROUP</b>		<b>PARENT COMPANY</b>	
	<b>31 Dec 2013</b>	31 Dec 2012	<b>31 Dec 2013</b>	31 Dec 2012
Accrued employee salaries and benefits	<b>29,532</b>	31,222	-	3,210
Accrued interest	<b>925</b>	511	<b>925</b>	-
Prepaid income	<b>48,724</b>	37,768	-	994
Other accrued expenses	<b>26,610</b>	17,339	<b>3,210</b>	421
<b>Carrying amount at year-end</b>	<b>105,791</b>	86,840	<b>4,135</b>	4,625

**Note 27 ASSETS PLEDGED TO CREDIT INSTITUTIONS**

	<b>GROUP</b>		<b>PARENT COMPANY</b>	
	<b>31 Dec 2013</b>	31 Dec 2012	<b>31 Dec 2013</b>	31 Dec 2012
Property mortgages	<b>14,870</b>	7,860	<b>14,870</b>	7,860
Ship mortgages	<b>1,142,786</b>	1,484,081	<b>570,111</b>	575,892
Chattel mortgages	<b>6,825</b>	6,825	<b>1,825</b>	1,825
Bank accounts	<b>1</b>	6,502	<b>1</b>	6,502
Current investments	<b>123,372</b>	100,000	<b>123,372</b>	100,000
<b>Total</b>	<b>1,287,854</b>	1,605,268	<b>710,179</b>	692,079

**Note 28 CONTINGENT LIABILITIES**

	<b>GROUP</b>		<b>PARENT COMPANY</b>	
	<b>31 Dec 2013</b>	31 Dec 2012	<b>31 Dec 2013</b>	31 Dec 2012
Guarantees on behalf of subsidiaries	-	-	<b>668,574</b>	799,165

**Note 29 SUBSIDIARIES SOLD**

In 2012, the Group sold the Group companies Rederi AB Lickershamn and Rederi AB Ronehamn. The total value of sold assets and liabilities, and the considerations and impact on the Group's liquid assets, was as follows:

	<b>GROUP</b>	
	<b>31 Dec 2013</b>	31 Dec 2012
Other current assets	-	55,000
Provisions	-	-152,417
Gain/loss from sales	-	97,419
<b>Total consideration</b>	-	2
Liquid assets in the subsidiaries sold	-	-55,000
<b>Total cash flow attributable to sales of subsidiaries</b>	-	-54,998

Visby, 13 May 2014

Björn Wolrath  
Chairman

Ann-Marie Åström  
Vice Chair

Bill Andréasson

Annelie Hamberg

Peter J. Lindskog

Eric D Nilsson

Björn Nilsson

Peter Skoglund

Jonas Åman

Håkan Johansson  
President

## Auditor's report

To the Annual General Meeting of Rederi AB Gotland (publ.) Corp. ID. no. 556000-8020

### Report on the annual financial statements and the consolidated financial statements

We have audited the annual financial statements and the consolidated financial statements for Rederi AB Gotland (publ.) for 2013. The company's annual financial statements and consolidated financial statements are presented on pages 14-30 of the printed version of this document.

### The responsibility of the Board of Directors and the President for the annual financial statements and the consolidated financial statements

The Board and President are responsible for preparing annual financial statements and consolidated financial statements that give a true and fair view in accordance with the Annual Accounts Act, and for the internal control that the Board and the President deem necessary for the preparation of the annual financial statements and consolidated financial statements so that they are free from material misstatement, whether due to fraud or error.

### Auditor's responsibility

Our responsibility is to express an opinion on the annual financial statements and the consolidated financial statements on the basis of our audit. We conducted the audit in accordance with the International Standards on Auditing and generally accepted auditing standards in Sweden. These standards require us to meet professional ethics requirements and plan and conduct the audit to obtain reasonable assurance that the annual financial statements and the consolidated financial statements do not contain material errors.

An audit involves taking various measures to obtain audit evidence on amounts and other information in the annual financial statements and the consolidated financial statements. The auditor chooses which measures are to be taken, among other things by assessing the risks of material errors in the annual financial statements and consolidated financial statements, whether they are due to fraud or mistakes. In connection with this risk assessment, the auditor considers those parts of the internal control that are relevant to how the company prepares the annual financial statements and consolidated financial statements to provide a true and fair view in order to design audit procedures that are appropriate to the circumstances, but not in order to offer an opinion on the efficiency of the company's internal control. An audit also includes an evaluation of the appropriateness of the accounting policies applied and the reasonability of the estimates by the Board of Directors and the President in the accounting, as well as an evaluation of the overall presentation in the annual financial statements and the consolidated financial statements.

We consider that the audit evidence we obtained is sufficient and appropriate as the basis for our opinions.

### Opinions

In our opinion, the annual financial statements and the consolidated financial statements have been prepared in pursuance of the Swedish Annual Accounts Act and provide, in all material respects, a true and fair view of the financial position of Rederi AB Gotland (publ.) and its subsidiaries as at 31 December 2013 and their financial results and cash flows for the year in pursuance of the Swedish Annual Accounts Act.

The directors' report is consistent with the rest of the annual financial statements and the consolidated financial statements.

We therefore recommend to the Annual General Meeting that the statement of comprehensive income and the statement of financial position for the Parent Company and the Group be adopted.

### Report on other requirements under Acts and other statutes

In addition to our audit of the annual financial statements and the consolidated financial statements, we also audited the proposal for appropriations of the company's profit or loss and the administration of Rederi AB Gotland (publ.) by the Board of Directors and the President for 2013.

### Responsibility of the Board of Directors and the President

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

### Auditor's responsibility

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

As the basis of our opinion on the Board of Directors' proposal for appropriations of the company's profit or loss, we examined the Board of Directors' explanatory statement and a selection of documentation for this to be able to assess whether the proposal is compatible with the Swedish Companies Act.

As the basis for our opinion on discharge from liability, in addition to our audit of the annual financial statements and the consolidated financial statements, we examined important decisions, actions taken and circumstances in the company in order to assess whether any member of the Board or the President is liable to pay damages to the company. We also examined whether any member of the Board or the President 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 the audit evidence we obtained is sufficient and appropriate as the basis for our opinions.

### Opinions

We recommend to the Annual General Meeting to appropriate the profit in accordance with the proposal in the directors' report, and discharge the Board of Directors and the President from liability for the financial year.

Stockholm, 14 May 2014

Öhrlings PricewaterhouseCoopers AB

Ulf Pettersson  
Certified Public Accountant  
Auditor in charge

Erika Kveldstad  
Certified Public Accountant



# Board of Directors



## **Björn Wolrath**

Chairman Born in 1943. Stockholm. Director. Member of the Board of Directors since 1997 and member of the remuneration committee. Shareholding: 0 shares.

Other positions of trust:  
Chairman of the Board of Yallotrade AB and Företagsekonomiska Föreningen.  
Board member of Iris Sverige AB, Företagsekonomiska Institutet AB and School of Economic Association in Stockholm.



## **Ann-Marie Åström**

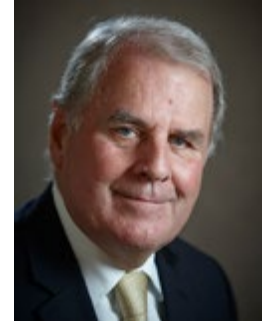
Vice Chair. Born in 1965. Stockholm. Jur. kand. Member of the Board of Directors since 1991 and member of the remuneration committee. Shareholding: See page 12.

Other positions of trust:  
Board member of Wisby Shipmanagement AB, Consilium AB, Sveriges Redareförenings Tank- och Bulksektion, Skulds Committee, Oslo, Hafnia Management A/S, Copenhagen, and Straits Tankers Pte Ltd, Singapore. Council member of Intertanko. Deputy member of Redarnas Ömsesidiga Försäkringsbolag, Försäkringsaktiebolaget Alandia and Försäkringsaktiebolaget Liv-Alandia, Mariehamn.



## **Annelie Hamberg**

Born in 1978. Kalmar. Ship's Officer. Employee Representative. Member of the Board of Directors since 2010. Shareholding: 0 shares.



## **Bill Andréasson**

Born in 1941. Stockholm. Lawyer.- Member of the Board of Directors since 1991 and member of the remuneration committee. Shareholding: 0 shares.



## **Peter J. Lindskog**

Born in 1947. Stockholm. Lawyer. Member of the Board of Directors since 1983. Shareholding: 0 shares.



## **Peter Skoglund**

Born in 1964. Visby, Ombudsman, Employee Representative. Member of the Board of Directors since 2005. Shareholding: 0 shares.



## **Björn Nilsson**

Born in 1964. London. Economist. Member of the Board of Directors since 1990. Shareholding: 0 shares.



## **Eric D Nilsson**

Born in 1927. Stockholm. Ship owner. Honorary Chairman since 1989. Member of the Board of Directors since 2012. President and Executive Chairman, 1970-1988.



## **Jonas Åman**

Born in 1964. Oslo. MSc Shipping Trade & Finance. Member of the Board of Directors since 2004. Shareholding: See page 12.

## **Ingela Örnberg**

Born in 1958. Visby, Purser, Employee Representative. Deputy member of the Board of Directors since 2011. Shareholding: 0 shares.

## **Monica Friman**

Born in 1967. Visby, Salaried Employee, Employee Representative. Deputy member of the Board of Directors since 2005. Shareholding: 0 shares.



# Vessels and charterers



## M/S VISBY

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

<b>Built</b>	2003 at Guangzhou Shipyard International Co Ltd (GSI), China
<b>LOA</b>	196 m
<b>Breadth</b>	25.67 m
<b>Draught</b>	6.40 m
<b>Gross tonnage</b>	29,746
<b>Net tonnage</b>	9,505
<b>Deadweight</b>	5,248 DWT
<b>Speed</b>	28.5 knots
<b>Vessel type</b>	Ro-Ro passenger ferry
<b>Main engines</b>	50,400 kW
<b>Passenger capacity</b>	1,500
<b>Cabins</b>	115 cabins
<b>Cargo capacity</b>	500 cars or 1,800 lane metres
<b>Class</b>	Lloyd's Register +100A1, IWS, LI Ice Class 1 A, +LMC, UMS, NAV, IBS



## M/S GOTLAND

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

<b>Built</b>	2003 at Guangzhou Shipyard International Co Ltd (GSI), China
<b>LOA</b>	196 m
<b>Breadth</b>	25.67 m
<b>Draught</b>	6.40 m
<b>Gross tonnage</b>	29,746
<b>Net tonnage</b>	9,505
<b>Deadweight</b>	5,174 DWT
<b>Speed</b>	28.5 knots
<b>Vessel type</b>	Ro-Ro passenger ferry
<b>Main engines</b>	50,400 kW
<b>Passenger capacity</b>	1,500
<b>Cabins</b>	115 cabins
<b>Cargo capacity</b>	500 cars or 1,800 lane metres
<b>Class</b>	Lloyd's Register +100A1, IWS, LI Ice Class 1 A, +LMC, UMS, NAV, IBS



## HSC GOTLANDIA

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

<b>Built</b>	1999 by Alstrom Leroux Naval, Lorient, France
<b>LOA</b>	112.51 m
<b>Breadth</b>	16.11 m
<b>Draught</b>	2.61 m
<b>Gross tonnage</b>	5,632
<b>Net tonnage</b>	1,689
<b>Deadweight</b>	450 DWT
<b>Speed</b>	32 knots
<b>Vessel type</b>	Single-hulled high-speed craft, HSC B
<b>Main engines</b>	28,320 kW
<b>Passenger capacity</b>	700
<b>Cargo capacity</b>	140 cars
<b>Class</b>	Lloyd's Register +100A1, SSC Passenger (B), Mono, HSC, LDC, G3, IBS NAV, + LMC, UMS, Ice Strengthened



## HSC GOTLANDIA II

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

<b>Built</b>	2006 at Fincantieri, Riva Trigoso/Genua, Italy
<b>LOA</b>	122 m
<b>Breadth</b>	17.05 m
<b>Draught</b>	3.29 m
<b>Gross tonnage</b>	6,554
<b>Net tonnage</b>	1,996
<b>Deadweight</b>	543 DWT
<b>Speed</b>	32 knots
<b>Vessel type</b>	Single-hulled high-speed craft, HSC B
<b>Main engines</b>	36,000 kW
<b>Passenger capacity</b>	780
<b>Cargo capacity</b>	160 cars
<b>Class</b>	Lloyd's Register +100A1, SSC Passenger (B), Mono, HSC, LDC, G3, IBS NAV, + LMC, UMS, Ice Strengthened

# Vessels and charterers



## M/T GOTLAND ALIYA

Charterers Messrs Mansell Ltd.  
V.Ships UK Ltd is responsible for management and maintenance.



## M/T GOTLAND CAROLINA

Wisby Shipmanagement AB is responsible for management and maintenance. Commercial management by Hafnia Management A/S.



## M/T GOTLAND MARIEANN

Wisby Shipmanagement AB is responsible for management and maintenance. Commercial management by Hafnia Management A/S.

## GOTLAND CLASS SUPER ICE

The product tankers are built as Ice Class 1A Super, also known as "Gotland Class". They are optimised for operation in severe ice conditions and can also be effectively operated in ice-free waters.

<b>Built</b>	2006/2007/2008 at Guangzhou Shipyard International Co Ltd (GSI), China
<b>LOA</b>	183.2 m
<b>Breadth</b>	32.2 m
<b>Draught</b>	13.5 m
<b>Gross tonnage</b>	29,283
<b>Net tonnage</b>	15,939
<b>Deadweight</b>	53,000 DWT
<b>Speed</b>	15 knots
<b>Vessel type</b>	GSI Gotland Class – Product tanker for chemicals in accordance with IMO II
<b>Main engines</b>	11,340 kW
<b>Capacity</b>	54,000m <sup>3</sup>
<b>Class</b>	Det Norske Veritas +1A1, SUPER Tankers for chemicals and Oil Ship type 2 ESP SPM EO CCO VCS-2 TMON NAUTICUS (Newbuilding) Gotland Class



## M/T GOTLAND SOFIA

V.Ships UK Ltd is responsible for management and maintenance. Commercial management by Hafnia Management A/S.



# Vessels and charterers



## M/S GUTE

Chartered by Destination Gotland AB.  
Destination Gotland AB is responsible for operation and maintenance.

<b>Built</b>	1979 at Falkenbergs shipyard, Falkenberg, Sweden
<b>LOA</b>	138.7 m
<b>Breadth</b>	16.9 m
<b>Draught</b>	4.32 m/3.63 m /3.42 m *)
<b>Gross tonnage</b>	7,616
<b>Net tonnage</b>	2,285
<b>Deadweight</b>	3,652 DWT / 2,287 DWT / 1,894 DWT *)
<b>Speed</b>	15 knots
<b>Vessel type</b>	Ro-Ro passenger ferry
<b>Main engines</b>	4,680 kW
<b>Passenger capacity</b>	12/66/86 *)
<b>Cabins</b>	18 cabins, 61 berths
<b>Cargo capacity</b>	969 lane metres as Ro-Ro 828 lane metres as Ro-Ro passenger ferry
<b>Class</b>	Lloyd's Register +100A1, +LMC, UMS, Ice class 1A

\*) Ro-Ro passenger ferry / 1 compartment Ro-Ro passenger ferry / 2 compartment Ro-Ro passenger ferry.



## M/T ALICE

Chartered by Trafigura Maritime Logistics Pte.  
V.Ships UK Ltd is responsible for management and maintenance.

<b>Built</b>	2013 at Guangzhou Shipyard International Co Ltd (GSI), China
<b>LOA</b>	183.2 m
<b>Breadth</b>	27.4 m
<b>Draught</b>	11.7 m
<b>Gross tonnage</b>	24,494
<b>Net tonnage</b>	11,471
<b>Deadweight</b>	39,316 DWT
<b>Speed</b>	14 knots
<b>Vessel type</b>	Oil and Chemical Tanker Type 2
<b>Main engines</b>	7,180 kW
<b>Load capacity</b>	43,869 m <sup>3</sup>
<b>Class</b>	Det Norske Veritas 1A1, CSR Tanker for chemicals and Oil Ship type 2 ESP SPM E0 VCS-2 CLEAN COAT-PSPC (B) BIS T-MON



## M/T AMI

Chartered by Trafigura Maritime Logistics Pte.  
V.Ships UK Ltd is responsible for management and maintenance.

<b>Built</b>	2012 at Guangzhou Shipyard International Co Ltd (GSI), China
<b>LOA</b>	183.2 m
<b>Breadth</b>	27.4 m
<b>Draught</b>	11.7 m
<b>Gross tonnage</b>	24,494
<b>Net tonnage</b>	11,471
<b>Deadweight</b>	39,310 DWT
<b>Speed</b>	14 knots
<b>Vessel type</b>	Oil and Chemical Tanker Type 2
<b>Main engines</b>	7,180 kW
<b>Load capacity</b>	43,869 m <sup>3</sup>
<b>Class</b>	Det Norske Veritas 1A1, CSR Tanker for chemicals and Oil Ship type 2 ESP SPM E0 VCS-2 CLEAN COAT-PSPC (B) BIS T-MON



## M/T WISBY WAVE

Wisby Shipmanagement AB is responsible for management and maintenance.  
Commercial management by Gothia Tankers AB.  
Participating interest 50%.

<b>Built</b>	2009 at Ferus Smit, the Netherlands
<b>LOA</b>	116.35 m
<b>Breadth</b>	15.11 m
<b>Draught</b>	6.76 m
<b>Gross tonnage</b>	4,283
<b>Net tonnage</b>	2,150
<b>Deadweight</b>	7,479 DWT
<b>Speed</b>	14 knots
<b>Vessel type</b>	Product tanker
<b>Main engines</b>	3,840 kW
<b>Load capacity</b>	8,246 m <sup>3</sup>
<b>Class</b>	Bureau Veritas, Oil Tanker, ESP, MON-SHAFT, AUT-UMS, Unrestricted Navigation, Ice Class FIN/SWE ICE 1A

# Vessels and charterers



## M/T ALLEGRO AND M/T AMORINA

Chartered by the Anglo Atlantic Steamship group.  
Participating interest 50%.

<b>Built</b>	2012 at Hrvatska Brodogradnja Trogir d.o.o., Croatia
<b>LOA</b>	182.76 m
<b>Breadth</b>	32.2 m
<b>Draught</b>	17.2 m
<b>Gross tonnage</b>	27,220
<b>Net tonnage</b>	14,173
<b>Deadweight</b>	46,184 DWT
<b>Speed</b>	15.7 knots
<b>Vessel type</b>	Product tanker
<b>Capacity</b>	52,000m <sup>3</sup>
<b>Main engines</b>	8,200 kW
<b>Class</b>	DNV (M/T Allegro) Lloyd's (M/T Amorina) +1A1 Tanker for Oil products and Chemicals ESP E0 CCO W1 LCS(DIS) VCS-2 HL(1,6) COAT-2 PLUS-2 ETC NAUTICUS (Newbuilding)



## M/T TAMBOURIN AND M/T TINTOMARA

Chartered by the Anglo Atlantic Steamship group.  
Participating interest 50%.

<b>Built</b>	2003-2004 at Hrvatska Brodogradnja Trogir d.o.o., Croatia
<b>LOA</b>	182.70 m
<b>Breadth</b>	32.20 m
<b>Draught</b>	12.18 m
<b>Gross tonnage</b>	26,914
<b>Net tonnage</b>	14,288
<b>Deadweight</b>	46,764 DWT
<b>Speed</b>	14 knots
<b>Vessel type</b>	Product tanker for chemicals in accordance with IMO II
<b>Capacity</b>	52,000m <sup>3</sup>
<b>Main engines</b>	7,680 kW
<b>Class</b>	Det Norske Veritas +1A1 Tanker for Oil products and Chemicals ESP E0 CCO W1 LCS(DIS) VCS-2 HL(1,6) COAT-2 PLUS-2 ETC NAUTICUS (Newbuilding)



## M/V Supplier

Chartered by Northern Offshore Services A/S.



## M/V Performer

Chartered by Northern Offshore Services A/S.



## M/V Provider

Chartered by Northern Offshore Services A/S.



## M/V Transporter

Chartered by Northern Offshore Services A/S.

<b>Built</b>	2005 Promek AS, Norway	2010 South Boats Special Projects Ltd., Isle of Wight, UK	2007 South Boats Special Projects Ltd., Isle of Wight, UK	2009 South Boats Special Projects Ltd., Isle of Wight, UK
<b>LOA</b>	14.99 m	16 m	14.7 m	15.5 m
<b>Breadth</b>	8 m	6.3 m	6.4 m	6.3 m
<b>Draught</b>	1.85 m	1.70 m	1.70 m	0.95 m
<b>Gross tonnage</b>	55.9	32	21.5	30.1
<b>Net tonnage</b>	16.8	9.6	6.4	9.0
<b>Speed</b>	14 knots	24 knots	27 knots	24 knots
<b>Vessel type</b>	Service vessel	Service vessel	Service vessel	Service vessel
<b>Passenger capacity</b>	12	12	12	12
<b>Main engines</b>	670 kW	1,176 kW	55 kW	1,100 kW
<b>Class</b>	DMA cargo ship notice B	DMA cargo ship notice F, MCA Category 2, UK Designed in accordance with Lloyds Rules for Special Service Craft	DMA cargo ship notice F, MCA Category 2, UK Designed in accordance with Lloyds Rules for Special Service Craft	DMA cargo ship notice F, MCA Category 2, UK Designed in accordance with Lloyds Rules for Special Service Craft





**REDERI/AB GOTLAND**

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