

# STENA AB (publ.)

## Interim Report for the six-month period 1 January – 30 June 2015

### Highlights:

- Income before taxes amounts to SEK 3,030 million for the six month period ended 30 June 2015, compared to SEK 1,140 million for the six month period ended 30 June 2014.
- Net gain on sale of subsidiaries related to Helsingborg-Helsingør ferry service amounted to SEK 1,669 million.
- Consolidated EBITDA, excluding net gain on sale of assets, increased by SEK 315 million to SEK 4,637 million for the six month period ended 30 June 2015, from SEK 4,322 million for the six month period ended 30 June 2014.

#### *Ferry Operation*

- EBITDA, excluding net gain on sale of assets, increased compared to last year due to increased car and freight volumes.

#### *Drilling*

- Decreased EBITDA due to *Stena Clyde* and *Stena Forth* undertaking SPS (Special Periodic Survey) and awaiting commencement on new contract.

#### *Tankers*

- Increased EBITDA due to stronger rates in both the crude and product segments.

#### *Property*

- Increased EBITDA due to net gain on sale of properties and net valuations of investment properties.

#### *Adactum*

- Good performance in the Adactum Group. Decreased EBITDA due to the sale of Mediatec.

- The strong liquidity position at year end 2014 has improved further during the six month period.
- Continued good contract coverage and high utilization and operational performance in our employed Drilling fleet.

**Date:** 28 August 2015

**By:** Staffan Hultgren

**Title:** Vice President & Deputy CEO and Principal Financial Officer



### Forward-looking Statements

This Interim Report includes statements that are, or may be deemed to be, forward-looking statements and can be identified as “forward-looking statements” by terms and phrases such as "anticipate," "should," "likely," "foresee," "believe," "estimate," "expect," "intend," "continue," "could," "may," "project," "plan," "predict," "will" and other similar expressions. These forward-looking statements include all matters that are not historical facts. They appear in a number of places throughout this report and include statements regarding our intentions, beliefs or current expectations concerning, among other things, our results of operations, financial condition, liquidity, prospects, growth, strategies and industries in which we operate. The report includes references to assumptions that relate to the future prospects, developments and business strategies. Such statements reflect our current views and assumptions in respect to future events and are subject to risks and uncertainties.

Many factors could affect our actual results, performance or achievements to be materially different from any future results, performance or achievements that may be expressed or implied by forward-looking statements. Factors that could cause the actual results to differ materially from those expressed or implied in such forward-looking statements, include, but are not limited to:

- changes in general economic and business conditions and markets;
- changes in laws and regulations;
- changes in currency exchange rates and interest rates;
- risks incident to vessel and drilling rig operations, including discharge of pollutants;
- introduction of competing products and services by other companies;
- changes in trading or travel patterns;
- increases in costs of operations or the inability to meet efficiency or cost reduction objectives;
- changes in our business strategy; and
- other risk factors listed in the reports we make available on our website [www.stena.com](http://www.stena.com) from time to time.

We do not intend, and undertake no obligation, to revise the forward-looking statements included in this report to reflect any future events or circumstances. Our actual results, performance or achievements could differ materially from the results expressed or implied by these forward-looking statements.

<b>Table of Contents</b>	<b>Page</b>
<b>CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED)</b>	
Condensed Consolidated Income Statements for the six month and three month periods ended 30 June 2015 and 30 June 2014	3
Consolidated Statements of Comprehensive Income for the six month and three month periods ended 30 June 2015 and 30 June 2014	4
Condensed Consolidated Balance Sheets as of 30 June 2015 and 31 December 2014	5
Consolidated Statements of Changes in Shareholders' Equity for the six month periods ended 30 June 2015 and 30 June 2014	6
Condensed Consolidated Statements of Cash Flow for the six month periods ended 30 June 2015 and 30 June 2014	7
Notes to Condensed Consolidated Financial Statements	8 - 10
<b>OPERATING AND FINANCIAL REVIEW</b>	<b>11 - 16</b>
<b>OTHER FINANCIAL INFORMATION – RESTRICTED GROUP</b>	<b>17- 21</b>



## Condensed Consolidated Income Statements (unaudited)

(SEK in millions)	Three month period ended 30 June		Six month period ended 30 June	
	2014	2015	2014	2015
Revenues:				
Ferry operations.....	3,229	3,270	5,485	5,659
Drilling.....	2,080	1,846	3,912	3,943
Shipping.....	694	871	1,432	1,883
Property.....	637	618	1,290	1,260
Investments, Adactum.....	1,926	1,758	3,384	3,465
Other.....	=	28	=	41
Total revenues.....	<b>8,566</b>	<b>8,391</b>	<b>15,503</b>	<b>16,251</b>
Net valuation on investment properties.....	77	174	152	323
Net gain on sales of assets.....	=	155	=	1,960
Total other income.....	<b>77</b>	<b>329</b>	<b>152</b>	<b>2,283</b>
Direct operating expenses:				
Ferry operations.....	(2,303)	(2,303)	(4,254)	(4,315)
Drilling.....	(791)	(828)	(1,607)	(1,771)
Shipping.....	(379)	(404)	(722)	(744)
Property.....	(185)	(186)	(426)	(424)
Investments, Adactum.....	(1,318)	(1,368)	(2,316)	(2,553)
Other.....	(31)	(3)	(25)	(12)
Total direct operating expenses.....	<b>(5,007)</b>	<b>(5,092)</b>	<b>(9,350)</b>	<b>(9,819)</b>
Selling and administrative expenses.....	(1,024)	(1,031)	(1,983)	(2,118)
Depreciation and amortization.....	<u>(1,179)</u>	<u>(1,310)</u>	<u>(2,281)</u>	<u>(2,713)</u>
Total operating expenses.....	<b>(7,210)</b>	<b>(7,433)</b>	<b>(13,614)</b>	<b>(14,650)</b>
Income from operations.....	<b><u>1,433</u></b>	<b><u>1,287</u></b>	<b><u>2,041</u></b>	<b><u>3,885</u></b>
Financial income and expense:				
Share of associated companies' results.....	29	16	32	13
Dividends received.....	14	44	29	84
Gain (loss) on securities, net.....	168	(30)	122	227
Interest income.....	129	60	243	106
Interest expense.....	(633)	(547)	(1,260)	(1,205)
Foreign exchange gains/(losses), net.....	(45)	(5)	35	66
Other financial income/(expense), net.....	<u>(54)</u>	<u>(63)</u>	<u>(102)</u>	<u>(146)</u>
Total financial income and expense.....	<b>(392)</b>	<b>(525)</b>	<b>(901)</b>	<b>(855)</b>
Income before taxes.....	<b><u>1,041</u></b>	<b><u>762</u></b>	<b><u>1,140</u></b>	<b><u>3,030</u></b>
Income taxes.....	<u>(219)</u>	(315)	<u>(220)</u>	(169)
Net income.....	<b><u>822</u></b>	<b><u>447</u></b>	<b><u>920</u></b>	<b><u>2,861</u></b>
Earnings attributable to:				
Equity holders of the Parent Company.....	812	450	911	2,858
Non-controlling interest.....	<u>10</u>	<u>(3)</u>	<u>9</u>	<u>3</u>
Net Income.....	<b><u>822</u></b>	<b><u>447</u></b>	<b><u>920</u></b>	<b><u>2,861</u></b>



## Consolidated Statements of Comprehensive Income (unaudited)

(SEK in millions)	Three month period ended 30 June		Six month period ended 30 June	
	2014	2015	2014	2015
<b>Result for the period</b>	<b>822</b>	<b>447</b>	<b>920</b>	<b>2,861</b>
<b>Other comprehensive income</b>				
<i>Items that may subsequently be reclassified to profit and loss:</i>				
Change in fair value reserve, net of tax	(42)	(161)	61	(66)
Change in net investment hedge, net of tax	(203)	666	(479)	367
Change in revaluation reserve	-	16	-	52
Change in currency translation differences	1,023	(355)	1,136	495
Change in associated companies	=	17	=	(9)
<b>Other comprehensive income for the period</b>	<b>778</b>	<b>183</b>	<b>718</b>	<b>839</b>
<b>Total comprehensive income for the period</b>	<b><u>1,600</u></b>	<b><u>630</u></b>	<b><u>1,638</u></b>	<b><u>3,700</u></b>
<b>Total comprehensive income attributable to:</b>				
- Owners of the Parent company	1,601	634	1,641	3,700
- Non-controlling interest	(1)	(4)	(3)	=
<b>Total comprehensive income for the period</b>	<b><u>1,600</u></b>	<b><u>630</u></b>	<b><u>1,638</u></b>	<b><u>3,700</u></b>

The accompanying notes form an integral part of these Condensed Consolidated Financial Statements.



## Condensed Consolidated Balance Sheets (unaudited)

(SEK in millions)	31 December 2014	30 June 2015
<b>ASSETS</b>		
<i>Noncurrent assets:</i>		
<b>Intangible assets</b> .....	<b>4,278</b>	<b>3,764</b>
<i>Tangible fixed assets:</i>		
Vessels.....	46,141	45,969
Construction in progress.....	3,944	5,106
Equipment.....	4,270	3,887
Buildings and land.....	1,111	1,118
Ports.....	<u>3,689</u>	<u>3,804</u>
<b>Total tangible fixed assets</b> .....	<b>59,155</b>	<b>59,884</b>
<b>Investment properties</b> .....	<b>29,367</b>	<b>29,312</b>
<i>Financial fixed assets:</i>		
Investments reported according to the equity method.....	1,434	1,617
Investment included in SPEs.....	8,112	-
Marketable securities.....	4,847	5,563
Surplus in pension plans.....	163	238
Other non-current assets.....	<u>5,222</u>	<u>6,451</u>
<b>Total financial fixed assets</b> .....	<b>19,778</b>	<b>13,869</b>
<b>Total noncurrent assets</b> .....	<b><u>112,578</u></b>	<b><u>106,829</u></b>
<i>Current assets:</i>		
Inventories.....	846	819
Trade debtors.....	2,843	2,622
Other current receivables.....	2,431	2,127
Prepaid expenses and accrued income.....	2,365	2,515
Short-term investments.....	1,248	823
Cash and cash equivalents.....	<u>3,506</u>	<u>1,734</u>
<b>Total current assets</b> .....	<b><u>13,239</u></b>	<b><u>10,640</u></b>
<b>Total assets</b> .....	<b><u>125,817</u></b>	<b><u>117,469</u></b>
<b>SHAREHOLDERS' EQUITY AND LIABILITIES</b>		
<b>Total shareholders' equity</b> .....	<b><u>38,978</u></b>	<b><u>42,163</u></b>
<i>Noncurrent liabilities:</i>		
Deferred income taxes.....	3,860	4,306
Pension liabilities.....	668	680
Other provisions.....	667	699
Long-term debt.....	43,290	38,576
Debt included in SPEs.....	7,540	-
Senior notes.....	13,093	13,434
Capitalized lease obligations.....	553	426
Other noncurrent liabilities.....	<u>3,946</u>	<u>4,274</u>
<b>Total noncurrent liabilities</b> .....	<b><u>73,617</u></b>	<b><u>62,395</u></b>
<i>Current liabilities:</i>		
Short-term debt.....	2,998	3,071
Capitalized lease obligations.....	233	40
Trade accounts payable.....	2,140	1,859
Income tax payable.....	155	166
Other current liabilities.....	3,250	2,561
Accrued costs and prepaid income.....	<u>4,446</u>	<u>5,214</u>
<b>Total current liabilities</b> .....	<b><u>13,222</u></b>	<b><u>12,911</u></b>
<b>Total shareholders' equity and liabilities</b> .....	<b><u>125,817</u></b>	<b><u>117,469</u></b>

The accompanying notes form an integral part of these Condensed Consolidated Financial Statements.



## Consolidated Statements of Changes in Shareholders' Equity (unaudited)

(SEK in millions)	Equity attributable to the owners of the parent company				Non-controlling interest	Total Shareholders' Equity
	Share Capital	Reserves	Retained earnings incl. Net Income	Total		
<b>Closing balance as of 31 December 2013</b>	<b>5</b>	<b>(390)</b>	<b>35,398</b>	<b>35,013</b>	<b>262</b>	<b>35,275</b>
Change in fair value reserves		61		61		61
Change in net investment hedge		(479)		(479)		(479)
Change in revaluation reserve		(15)	15			
Change in translation reserve		1,135		1,135	1	1,136
<b>Other comprehensive income</b>		<b>702</b>	<b>15</b>	<b>717</b>	<b>1</b>	<b>718</b>
Net income			924	924	(4)	920
<b>Total comprehensive income</b>		<b>702</b>	<b>939</b>	<b>1,641</b>	<b>(3)</b>	<b>1,638</b>
Changes in non-controlling interest					15	15
Dividend			(210)	(210)		(210)
<b>Closing balance as of 30 June 2014</b>	<b>5</b>	<b>312</b>	<b>36,127</b>	<b>36,444</b>	<b>274</b>	<b>36,718</b>
<b>Closing balance as of 31 December 2014</b>	<b>5</b>	<b>1,187</b>	<b>37,532</b>	<b>38,724</b>	<b>255</b>	<b>38,979</b>
Effect from deconsolidating CLOs 1)		(136)		(136)	(21)	(157)
<b>Balance at 1 January 2015 (restated)</b>	<b>5</b>	<b>1,051</b>	<b>37,532</b>	<b>38,588</b>	<b>234</b>	<b>38,822</b>
Change in fair value reserves		(66)		(66)		(66)
Change in net investment hedge		367		367		367
Change in revaluation reserve		37	15	52		52
Change in translation reserve		498		498	(3)	495
Change in associated companies			(9)	(9)		(9)
<b>Other comprehensive income</b>		<b>836</b>	<b>6</b>	<b>842</b>	<b>(3)</b>	<b>839</b>
Net income			2,858	2,858	3	2,861
<b>Total comprehensive income</b>		<b>836</b>	<b>2,864</b>	<b>3,700</b>	<b>-</b>	<b>3,700</b>
Changes in non-controlling interest					(115)	(115)
Dividend			(244)	(244)		(244)
<b>Closing balance as of 30 June 2015</b>	<b>5</b>	<b>1,887</b>	<b>40,152</b>	<b>42,044</b>	<b>119</b>	<b>42,163</b>

1) Effects of changes in accounting policies, see note 2



### Condensed Consolidated Statements of Cash Flow (unaudited)

(SEK in millions)	Six month period ended 30 June	
	2014	2015
<b><i>Net cash flows from operating activities:</i></b>		
Net income.....	920	2,861
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation and amortization.....	2,281	2,713
Net valuation of investment properties.....	(152)	(323)
Gain on sale assets.....	-	(1,960)
(Gain)/loss on securities, net.....	(122)	(227)
Unrealized foreign exchange (gains)/losses.....	(417)	(757)
Deferred income taxes.....	94	132
Pensions.....	(76)	(88)
Net cash flows from trading securities.....	85	78
Share of affiliated companies results.....	(32)	(13)
Dividend from affiliated companies.....	25	26
Other non-cash items.....	41	89
Receivables.....	97	180
Prepaid expenses and accrued income.....	(390)	(93)
Inventories.....	(98)	13
Trade accounts payable.....	129	124
Accrued costs and prepaid income.....	834	111
Income tax payable.....	(17)	(135)
Other current liabilities.....	(1)	29
Net cash provided from operating activities.....	<b><u>3,201</u></b>	<b><u>2,760</u></b>
<b><i>Net cash flows from investing activities:</i></b>		
Purchase of intangible assets.....	(110)	(56)
Cash proceeds from sale of property, vessels and equipment.....	9	2,071
Capital expenditure on property, vessels and equipment.....	(3,467)	(2,576)
Purchase and sale of subsidiaries, net of cash.....	-	1,953
Proceeds from sale of securities.....	2,969	2,208
Purchase of securities.....	(3,025)	(1,794)
Other investing activities.....	(258)	(207)
Net cash used from investing activities.....	<b><u>(3,882)</u></b>	<b><u>1,599</u></b>
<b><i>Net cash flows from financing activities:</i></b>		
Proceeds from issuance of debt.....	11,554	965
Principal payments on debt.....	(6,759)	(2,043)
Net change in borrowings on line-of-credit agreements.....	(4,370)	(4,579)
Principal payments on capital lease obligations.....	(116)	(154)
Net change in restricted cash accounts.....	301	(84)
Dividend paid.....	(210)	(244)
Other financing activities.....	(296)	(31)
Net cash provided from financing activities.....	<b><u>104</u></b>	<b><u>(6,170)</u></b>
Effect of exchange rate changes on cash and cash equivalents.....	<u>36</u>	<u>39</u>
Net change in cash and cash equivalents.....	(541)	(1,772)
Cash and cash equivalents at beginning of period.....	<b><u>2,053</u></b>	<b><u>3,506</u></b>
Cash and cash equivalents at end of period.....	<b><u>1,512</u></b>	<b><u>1,734</u></b>

The accompanying notes form an integral part of these Condensed Consolidated Financial Statements.



## Notes to Condensed Consolidated Financial Statements (unaudited)

### Note 1 Basis of Presentation

The accompanying condensed consolidated financial statements present the financial position and result of operations of Stena AB (publ) and its subsidiaries (Stena) and have been prepared in accordance with IAS 34, "Interim financial reporting". The condensed consolidated interim financial information should be read in conjunction with the annual financial statements for the year ended on 31 December 2014, which have been prepared in accordance with IFRS.

The interim financial information included in the condensed consolidated financial statements has not been audited, and reflects all adjustments (consisting only of normal recurring adjustments) that are, in the opinion of management, necessary for a fair presentation of the results for the interim periods presented. Interim results for the six months ended on 30 June 2015 are not necessarily an indication of the results to be expected for the full year.

### Note 2 Accounting Policies

The accounting policies applied are consistent with those of the annual financial statements for the year ended 31 December 2014, as described in the annual financial statements with the exceptions as mentioned below:

In 2014 Stena implemented the new accounting standard IFRS 10, - Consolidated Financial Statements. IFRS10 states that subsidiaries and special purpose vehicles that an entity controls should be consolidated in their consolidated financial statements. The new standard also states that an investor controls an investee when it is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. Stena has analyzed the effects from applying IFRS10 and concluded that Stena does not have such control over its investments in CLOs (Collateral Loan Obligations) managed by Canyon Capital, USA that these CLOs should be consolidated in accordance with IFRS10. As a result, Stena deconsolidated the CLO's from January 1, 2015. Instead, these investments are reported as Marketable Securities at their market value in Stena's consolidated balance sheet.

The effects from de-consolidating the CLOs on the Group's consolidated Balance Sheet as of January 1, 2015 are stated in the table below. These effects are not considered to be material for the Group and, as a result, no retroactive adjustments of prior periods have been made.

(SEK in millions)	December 31, 2014 Previously reported	Effect from de- consolidating CLOs	January 1, 2015 Restated
Investment included in SPEs	8,112	(8,112)	-
Marketable securities	4,847	761	5,608
Short-term investments	1,248	(451)	797
Other assets	111,610	(156)	111,454
<b>Total assets</b>	<b>125,817</b>	<b>(7,958)</b>	<b>117,859</b>
Shareholders' equity	38,724	(136)	38,588
Minority interest	255	(21)	234
Debt included in SPEs	7,540	(7,540)	-
Other liabilities	79,298	(261)	79,037
<b>Total shareholders' equity and liabilities</b>	<b>125,817</b>	<b>(7,958)</b>	<b>117,859</b>

Taxes on income during the interim periods are accrued using the tax rate that would be applicable to expected total annual earnings.

Stena's Annual Report 2014 describes the content of the new accounting principles that are regarded as material for the Stena Group (see link <http://www.stena.com/en/news-and-finance/Pages/investor-relations.aspx#!/en/news-and-finance/Pages/reports.aspx> ).





## Notes to Condensed Consolidated Financial Statements (unaudited)

## Note 3 Segment information

(SEK in millions)	Three month period ended 30 June		Six month period ended 30 June	
	<u>2014</u>	<u>2015</u>	<u>2014</u>	<u>2015</u>
<i>Income from operation</i>				
Ferry operations .....	269	407	(13)	154
Net gain on sale of subsidiaries .....	=	=	=	<u>1,669</u>
Total Ferry operations .....	269	407	(13)	1,823
Drilling.....	599	57	958	258
Shipping: Roll-on/Roll-off vessels.....	6	2	21	71
Tankers .....	63	184	214	561
Other shipping .....	<u>(23)</u>	<u>13</u>	<u>(54)</u>	<u>5</u>
Total shipping .....	46	199	181	637
Property: .....	402	376	766	729
Net gain on sale of properties .....	-	-	-	93
Net valuations on investment properties .....	<u>77</u>	<u>174</u>	<u>152</u>	<u>323</u>
Total property .....	479	550	918	1,145
Investments, Adactum:	173	143	205	184
Net gain on sale of subsidiaries .....	=	40	=	40
Total Investments, Adactum .....	173	183	205	224
Other .....	<u>(133)</u>	<u>(109)</u>	(208)	(202)
Total Income from operation .....	<u>1,433</u>	<u>1,287</u>	<u>2,041</u>	<u>3,885</u>
<i>Depreciation and amortization:</i>				
Ferry operations.....	379	369	713	739
Drilling .....	505	693	989	1,408
Shipping: Roll-on/Roll-off vessels .....	79	70	151	139
Tankers .....	102	128	201	257
Other shipping .....	<u>7</u>	<u>7</u>	<u>14</u>	<u>14</u>
Total shipping .....	188	205	366	410
Property .....	-	2	1	2
Investments, Adactum .....	100	35	198	139
Other.....	<u>7</u>	<u>6</u>	<u>14</u>	<u>15</u>
Total .....	<u>1,179</u>	<u>1,310</u>	<u>2,281</u>	<u>2,713</u>



(SEK in millions)	Three month period ended 30 June		Six month period ended 30 June	
	<u>2014</u>	<u>2015</u>	<u>2014</u>	<u>2015</u>
<i>EBITDA from operations</i>				
Ferry operations.....	648	778	700	2,563
Drilling .....	1,104	750	1,947	1,666
Shipping: Roll-on/Roll-off vessels .....	85	72	172	210
Tankers.....	165	312	415	818
Other shipping.....	<u>(16)</u>	<u>20</u>	<u>(40)</u>	<u>19</u>
Total shipping.....	234	404	547	1,047
Property .....	479	552	919	1,147
Investments, Adactum .....	273	218	403	363
Other.....	<u>(126)</u>	<u>(106)</u>	(194)	(189)
Total EBITDA.....	<u>2,612</u>	<u>2,596</u>	<u>4,322</u>	<u>6,597</u>
<i>Capital expenditures:</i>				
Ferry operations.....			511	255
Drilling .....			1,968	1,512
Shipping: Roll-on/Roll-off vessels .....			113	13
Tankers .....			68	90
Other shipping .....			<u>37</u>	<u>10</u>
Total shipping .....			218	113
Property .....			586	607
Investments, Adactum .....			171	79
Other.....			<u>13</u>	<u>10</u>
Total.....			<u>3,467</u>	<u>2,576</u>



## OPERATING AND FINANCIAL REVIEW

Stena generates revenue primarily from ferry operations, chartering out its owned, chartered-in and leased Roll-on/Roll-off vessels, tankers, LNG carriers and drilling rigs, managing tankers, sales of vessels, income from Investments, Adactum and real estate rents. The period from June through September is the peak travel season for passengers of the ferry operations. Chartering activities are not generally significantly affected by seasonal fluctuations, but variations over the year may occur as a consequence of, among other things, vessel utilization rates, dry-docking and charter rates. Any sale or acquisition of vessels, drilling rigs and real estate may also have an impact on the results of each period.

### Significant Events of the First Six Months of 2015

On 9 January 2015, the Stena AB Group and Scandlines entered into an agreement regarding the sale of Helsingborg-Helsingør ferry service to a European infrastructure fund managed by First State Investments. The Helsingborg-Helsingør service was operated jointly by the Stena AB Group and Scandlines, each with a 50% shareholding. First State European Diversified Infrastructure Fund, FCP\_SIF, took over the service from the end of January 2015. The sale included five vessels used to operate the service. The sale generated a capital gain for Stena AB Group amounting to SEK 1,669 million.

In January 2015, an agreement was signed regarding the sale of *Stena Feronia* for EUR 23 million. The vessel was delivered at the turn of the month March/April.

In February 2015, Marine Atlantic exercised their purchase options for the vessels *Highlanders* and *Blue Puttees*. The vessels will be sold for EUR 69 million each and will be delivered to Marine Atlantic in December 2015 and February 2016.

In February 2015, a property was sold in London for GBP 19 million.

The newly constructed IMOIIIMAX-vessel *Stena Impression* was delivered in February 2015 from the shipyard in China.

In February 2015, the vessel *Stena Calypso* was sold via a hire purchase agreement for USD 9,6 million.

The ferry service between Holyhead and Dun Laoghaire was discontinued in February 2015.

In February 2015, the High Court in London approved the new funding regime for MNRPF (pension fund) and the plan for deficit contributions. This means that the Group's share of deficit is settled to 19% and contributions made since 2001 are set off by future deficit.

In March 2015, properties in Gothenburg were sold for SEK 925 million.

In the end of April 2015, Stena Adactum completed the agreement to sell the Mediatec companies, with effective date 1 January 2015. The buyer is the company NEP who operates in the same line of business. The sales price for Stena AB Group's shares in Mediatec companies amounted to SEK 462 million.

In June 2015, the vessel *Stena Scandinavica* was sold for SEK 800 million.

### Subsequent Events

No substantial subsequent events.



## Currency Effects

Our revenues and expenses, reported in Swedish kronor, are significantly affected by fluctuations in currency exchange rates, primarily relative to the U.S. dollar, the British pound and the Euro. We seek to mitigate the impact of potential adverse foreign currency exchange fluctuations by matching, to a possible extent, revenues and expenses in the same currency. In addition, we enter into certain derivative financial instruments. In the six month period that ended on 30 June 2015, approximately 31% of our total revenues were generated in USD, approximately 19% were generated in EUR, approximately 13% were generated in GBP and approximately 24% were generated in SEK.

In the six month period ended 30 June 2015, approximately 20% of our total expenses were incurred in USD, approximately 15% were incurred in EUR, approximately 21% were incurred in GBP and approximately 28% were incurred in SEK. The reported gross revenues and expenses were affected by changes in the currency rates. The exchange rates used for consolidation purposes are as follows:

<i>Average rates:</i>	<b>Jan- June 2014</b>	<b>Jan-June 2015</b>	<b>Change</b>
US \$.....	6.5290	8.3781	28%
British pound .....	10.8962	12.7558	17%
Euro .....	8.9506	9.3404	4%
 <i>Closing rates:</i>	 <b>As of 31 Dec 2014</b>	 <b>As of 30 June 2015</b>	 <b>Change</b>
US \$.....	7.8011	8.2872	6%
British pound .....	12.1549	13.0208	7%
Euro .....	9.4378	9.2377	-2%



### ***Revenues***

Total revenues increased by SEK 748 million to SEK 16,251 million in the six months ended 30 June 2015 compared to SEK 15,503 million in the six months ended 30 June 2014, as a result of increased revenues in all segments, except for the Property segment.

### ***Direct Operating Expenses***

Total operating expenses increased by SEK 469 million to SEK 9,819 million in the six months that ended on 30 June 2015, compared to SEK 9,350 million in the six months ended 30 June 2014.

### ***Selling and Administrative Expenses***

Selling and administrative expenses increased by SEK 135 million to SEK 2,118 million in the six months that ended 30 June 2015, compared to SEK 1,983 million in the six month period that ended on 30 June 2014.

### ***Depreciation and Amortization***

Depreciation and amortization charges increased by SEK 432 million to SEK 2,713 million in the six months ended 30 June 2015, compared to SEK 2,281 million in the six months ended 30 June 2014, mainly due to currency impact of the US Dollar.

### ***EBITDA***

The EBITDA for the consolidated Stena AB Group increased by SEK 2,275 million to SEK 6,597 million in the six months that ended on 30 June 2015 compared to SEK 4,322 million last year, mainly due to the sale of Helsingborg-Helsingør ferry service generating a net gain of SEK 1,669 million, but also due to increased EBITDA in the segments Shipping and Ferry Operations, excluding net gain on sale of assets.

### ***Ferry Operations***

Ferry revenues are generated from ticket sales, freight haulage and onboard sales. Direct operating expenses consist principally of personnel costs, costs of goods sold onboard the vessels, bunker fuel costs, vessel charter costs, commissions, package tour costs and other related costs. A significant portion of these costs do not vary on account of changes in our seasonal requirements.

EBITDA, excluding net gain on sale of subsidiaries of SEK 1,669 million, increased by SEK 194 million to SEK 894 million in the six months ended 30 June 2015, from SEK 700 million in the corresponding period in 2014 mainly due to increased car and freight volumes. Car/freight volumes increased: +1% / +4% compared to the corresponding period last year.

In 2015, Stena Line is continuing to restructure some of its operations with the aim to improve profitability. Stena Line is focusing on improving cost efficiency, advantages of scale, freight and cargo operations.

### ***Drilling Operations***

Drilling revenues consist of charter hires for our drilling rigs. The direct operating expenses for drilling consist primarily of personnel costs, fuel costs, insurance, maintenance and catering costs.

EBITDA decreased by SEK 281 million to SEK 1,666 million in the six month period 2015 compared to SEK 1,947 million in the corresponding period in 2014. The decrease is due to *Stena Clyde* and *Stena Forth* undertaking SPS (Special Periodic Survey) and awaiting commencement on new contracts.



### ***Shipping Operations***

Shipping revenues primarily represent charter hires for our owned and chartered in vessels and management fees for vessels managed by us. Direct operating expenses for shipping consist primarily of vessel charter costs, fuel costs, personnel costs, insurance and other related vessel costs.

#### ***Tankers***

Our tanker operation generated EBITDA of SEK 818 million in the six month period ended 30 June 2015 compared to SEK 415 million for the same period in 2014 due to higher rates in both the crude and product segments.

Operationally and technically the fleet is performing well.

#### ***RoRo Operations***

EBITDA from chartering out Roll-on/Roll-off vessels increased by SEK 38 million to SEK 210 million in the six month period ended 30 June 2015, from SEK 172 million in the same period in 2014. The increase is mainly due to the sale of *Stena Feronia* offset by increased number of docking days.

### ***Property***

Property revenues consist of rents for properties owned and management fees for properties managed by Stena. Property expenses consist primarily of maintenance, heating and personnel costs.

EBITDA was SEK 1,147 million for the six month period ended 30 June 2015, compared to SEK 919 million for the same period in 2014, mainly due to sale of properties generating a net gain of SEK 93 million in 2015. In the six months ended 30 June 2014 there were no sales of properties. Occupancy rates for Swedish properties were approximately 97%, and non-Swedish properties were approximately 80%.

### ***Investments, Adactum***

The EBITDA for Stena Adactum decreased by SEK 40 million to SEK 363 million in the six month period ended 30 June 2015, compared to SEK 403 million in 2014. EBITDA decreased mainly due to the sale of Mediatec.

*Ballingslöv*: EBITDA for the six months ended 30 June 2015 was SEK 159 million, compared to SEK 124 million for the six months ended 30 June 2014.

*Envac*: EBITDA for the six months ended 30 June 2015 was SEK (15) million compared to SEK 17 million in the corresponding period in 2014.

*Stena Renewable*: EBITDA for the six months ended 30 June 2015 was SEK 131 million compared to SEK 135 million for the corresponding period in 2014. The lower EBITDA is due to decreasing electricity prices.

*Mediatec*: The sale of Mediatec was closed in April 2015 with effective date 1 January 2015. EBITDA for the six months ended 30 June 2014 was SEK 79 million.

*Blomsterlandet*: EBITDA for the six months ended 30 June 2015 was SEK 85 million compared to SEK 79 million in the same corresponding period in 2014.

### ***Other Income***

*Net valuation on investment property*. As a result of the revaluation to fair value according to IAS 40 "Investment properties", Stena had net gains of SEK 323 million for the six month period ended 30 June 2015, as compared to SEK 152 million for the same period in 2014.

*Net gain on sale of vessels*. In the six months ended 30 June 2015, net gain on sale of vessels amounted to SEK 182 million of which SEK 120 million relates to the sale of the vessel *Stena Scandinavica*, SEK 45 million to *Stena Feronia* and SEK 17 million relates to the sale of the vessel *Stena Calypso*. In the six months ended 30 June 2014 there were no sales of vessels.



*Net gain on sale of properties.* In the six months ended 30 June 2015, net gain on sale of properties amounted to SEK 93 million from the sales of property in Gothenburg and London. In the six months period ended 30 June 2014 there were no sales of properties.

*Net gain on sale of subsidiaries.* In the six months ended 30 June 2015, net gain on sale of subsidiaries amounted to SEK 1,685 million of which SEK 1,669 million was from the sale of the subsidiaries related to the Helsingborg-Helsingør ferry service and SEK 40 million was from the sale of Mediatec. In the six months period ended 30 June 2014 there were no sales of subsidiaries.

***Financial Income/(Expense)***

Total net financial expenses decreased by SEK 46 million to SEK (855) million in the six months ended 30 June 2015, from SEK (901) million in the six months ended 30 June 2014, mainly due to gains on securities, offset by increased net interest expenses.

***Income Taxes***

Income taxes for the six months that ended on 30 June 2015, were SEK (169) million, consisting of current taxes of SEK (37) million and deferred taxes of SEK (132) million. Income taxes for the six months ended 30 June 2014, were SEK (220) million, consisting of current taxes of SEK (126) million and deferred taxes of SEK (94) million.



## Liquidity and Capital Resources

Our liquidity requirements principally relate to servicing of debt, financing the purchase of vessels and other assets and funding of working capital. We meet our liquidity requirements by cash on hand, cash flows from operations, borrowings under various credit facilities and other financing and refinancing arrangements.

As of 30 June, 2015, total cash and marketable securities including short term investments amounted to SEK 8,120 million as compared to SEK 9,601 million as of December 31, 2014.

For the six months ended 30 June, 2015, cash flows provided by operating activities amounted to SEK 2,760 million, as compared to SEK 3,201 million in the first six months ended 30 June, 2014. For the six months ended 30 June, 2015, cash flows used in investing activities amounted to SEK 1,599 million, including SEK (2,576) million related to capital expenditures, as compared to SEK (3,882) million, including SEK (3,467) million related to capital expenditures, in the six months ended 30 June, 2014. Cash flows provided by financing activities for the six months ended 30 June, 2015 amounted to SEK (6,170) million, as compared to SEK 104 million in the six months ended 30 June, 2014.

As of 30 June, 2015, the total construction in progress was SEK 5,106 million, as compared to SEK 3,944 million as of 31 December, 2014. The remaining capital expenditure commitment for new buildings on order as of 30 June 2015 was SEK 4,575 million, of which SEK 59 million is due during 2015 and SEK 4,516 million is due in 2016. Stena intends to finance the remainder of this unpaid balance, together with additional expenses and financing costs, with cash from operations, existing revolving credit facilities, new capital lease agreements, new bank loans and other financing arrangements.

As of 30 June, 2015, total interest bearing debt was SEK 55,547 million as compared to SEK 60,167 million, excluding debt in SPEs, as of 31 December 2014.

During the first quarter 2014 our USD 1,000 million revolving credit facility was reduced down to USD 600 million in connection with issuing of USD 1.6 billion in new debt. In February 2015 we signed a Supplement to our existing USD 600 million RCF amending certain provisions in the agreement. The aim was to lower the margin, extend the maturity and increase the facility to USD 800 million. The final maturity of the "old" revolving credit facility was March 13, 2018 and has now been extended until March 13 2020. As of 30 June 2015, USD 6 million was utilized under our USD 800 million revolving credit facility of which USD 6 million was used for issuing bank guarantees and letters of credit. As of 31 December 2014, USD 185 million was utilized, including USD 5 million used for issuing bank guarantees and letters of credit.

As of 30 June 2015, USD 117 million was utilized under the USD 300 million revolving credit facility entered into by Stena Investment Luxembourg S.à.r.l. compared to USD 169 million as of 31 December 2014.

As of 30 June 2015, SEK 0 million was utilized under the SEK 700 million revolving credit facility in Adactum as compared to SEK 375 million as of 31 December 2014.

During 2010, we entered into a SEK 6,660 million revolving credit facility with Svenska Handelsbanken and Nordea and the facility is guaranteed by EKN. This facility had utilization of SEK 0 million as of 30 June 2015 compared to SEK 2,584 million as of 31 December 2014.

We believe that, based on current levels of operating performance and anticipated market conditions, cash flow from operations, together with other available sources of funds, including refinancing, will be adequate to make required payments of principal and interest on outstanding debt, to make proposed capital expenditures, including new buildings and other vessel acquisitions, and to fund anticipated working capital requirements.





## OTHER FINANCIAL INFORMATION – RESTRICTED GROUP

For the six months ended 30 June 2015, Restricted Group Data represents the selected consolidated financial information excluding (i) the property business segment (other than two small properties), (ii) the business segment of Adactum, whose activities consist primarily of investing in companies outside our traditional lines of business, and (iii) our subsidiaries Stena Investment Luxembourg S.à.r.l., Stena Royal, Stena Investment Cyprus Ltd and Mondaldi Ltd. Our real estate operations and the business of Adactum are conducted through various subsidiaries. For purposes of the indentures under which our Senior Notes were issued, real estate business and Investments, Adactum, together with our subsidiaries Stena Investment Luxembourg S.à.r.l., Stena Royal, Stena Investment Cyprus Ltd and Mondaldi Ltd, are designated as unrestricted subsidiaries and, as a result, are not bound by the restrictive provisions of the bond indentures.

In January 2014, a ten year bond of USD 600 million was issued. The purpose of this transaction was to extend existing profile of amortization and pay off outstanding amounts under our credit facility.

In February 2014 another ten year bond of USD 350 million was issued. Also USD 650 million was raised through a so called Term loan B, which is a seven year loan with low rate of amortization. The securities for both the bond and the loan consist of the units Stena DrillMAX and Stena Carron. The purpose of this transaction was to extend the profile of amortization and increase liquidity. As a result of the transaction the available facilities in the previous RCF (Revolver Credit Facility) of USD 1,000 million was reduced to USD 600 million.

In February 2015 we signed a Supplement to our existing USD 600 million RCF amending certain provisions in the agreement. The aim was to lower the margin, extend the maturity and increase the facility to USD 800 million.

As of 30 June, 2015, we had outstanding EUR 300 million principal amounts of Senior Notes due 2017, EUR 102 million principal amounts of Senior Notes due 2019 and EUR 200 million principal amounts of Senior Notes due 2020.

During the second quarter 2015 Stena AB has received dividends from Stena Fastigheter AB amounting to SEK 1000 million and from Stena Adactum AB amounting to SEK 249 million.



### Condensed Consolidated Income Statements – Restricted Group

(SEK in millions) (unaudited)	Six month period ended 30 June	
	2014	2015
Revenues:		
Ferry operations.....	5,485	5,659
Drilling .....	3,912	3,943
Shipping.....	1,433	1,883
Other .....	<u>1</u>	<u>42</u>
Total revenues .....	<b>10,831</b>	<b>11,527</b>
Net gain on sales of assets .....	-	<u>1,828</u>
Total other income.....	-	<b>1,828</b>
Direct operating expenses:		
Ferry operations.....	(4,254)	(4,315)
Drilling .....	(1,607)	(1,771)
Shipping.....	(722)	(744)
Other .....	<u>(28)</u>	<u>(14)</u>
Total direct operating expenses .....	<b>(6,611)</b>	<b>(6,844)</b>
Selling and administrative expenses .....	(1,198)	(1,410)
Depreciation and amortization.....	<u>(2,087)</u>	<u>(2,573)</u>
Total operating expenses .....	<b>(9,896)</b>	<b>(10,827)</b>
Income/(loss) from operations .....	<b><u>935</u></b>	<b><u>2,528</u></b>
Net financial income and expenses:		
Dividends received .....	1	1,258
Net gain (loss) on securities.....	(45)	20
Interest income .....	145	132
Interest expense .....	(874)	(955)
Foreign exchange gains (losses), net .....	106	63
Other financial income (expenses), net.....	<u>(80)</u>	<u>(128)</u>
Total financial income and expenses .....	<b>(747)</b>	<b>390</b>
Income/(loss) after financial income and expenses.....	<b>188</b>	<b>2,918</b>
Non-controlling interest.....	<u>1</u>	<u>(2)</u>
Income/(loss) before tax .....	<b><u>189</u></b>	<b><u>2,916</u></b>
Income taxes .....	<u>(16)</u>	<u>127</u>
Net income/(loss) .....	<b><u>173</u></b>	<b><u>3,043</u></b>



## Condensed Consolidated Balance Sheets – Restricted Group

(SEK in millions) (unaudited)	31 December 2014	30 June 2015
<b>ASSETS</b>		
<i>Noncurrent assets:</i>		
<b>Intangible assets</b> .....	<b>1,436</b>	<b>1,360</b>
Tangible fixed assets:		
Vessels .....	46,142	45,969
Construction in progress .....	3,631	4,782
Equipment .....	1,467	1,591
Ports .....	3,689	3,804
Property .....	594	611
<b>Total tangible fixed assets</b> .....	<b>55,523</b>	<b>56,757</b>
Financial fixed assets:		
Marketable securities .....	886	1,268
Intercompany accounts, noncurrent .....	4,626	4,032
Other non-current assets .....	12,236	13,708
<b>Total non-current assets</b> .....	<b>74,707</b>	<b>77,125</b>
<i>Current assets:</i>		
Inventories .....	278	291
Trade debtors .....	1,958	1,737
Other receivables .....	2,107	1,873
Prepaid expenses and accrued income .....	1,757	1,947
Short-term investments .....	656	669
Intercompany accounts .....	926	804
Cash and cash equivalents .....	2,282	1,024
<b>Total current assets</b> .....	<b>9,964</b>	<b>8,345</b>
<b>Total assets</b> .....	<b>84,671</b>	<b>85,470</b>
<b>SHAREHOLDERS' EQUITY AND LIABILITIES</b>		
<i>Shareholders' equity:</i>		
Share Capital .....	5	5
Reserves .....	29,446	32,971
Equity attributable to shareholders of the company .....	29,451	32,976
Non-controlling interest .....	106	106
<b>Total Equity</b> .....	<b>29,556</b>	<b>33,082</b>
<i>Noncurrent liabilities:</i>		
Deferred income taxes .....	479	698
Other provisions .....	1,159	1,207
Long-term debt .....	26,794	22,723
Senior notes .....	13,093	13,434
Capitalized lease obligations .....	412	422
Intercompany accounts, noncurrent .....	702	-
Other non-current liabilities .....	2,773	3,327
<b>Total non-current liabilities</b> .....	<b>45,413</b>	<b>41,811</b>
<i>Current liabilities:</i>		
Short-term debt .....	2,175	2,541
Capitalized lease obligations .....	153	34
Trade accounts payable .....	859	878
Income tax payable .....	144	126
Other liabilities .....	2,686	2,169
Intercompany liabilities .....	173	572
Accrued costs and prepaid income .....	3,510	4,257
<b>Total current liabilities</b> .....	<b>9,702</b>	<b>10,577</b>
<b>Total shareholders' equity and liabilities</b> .....	<b>84,671</b>	<b>85,470</b>



### Condensed Consolidated Statements of Cash Flow – Restricted Group

(SEK in millions) (unaudited)	Six month period ended 30 June	
	2014	2015
<i>Net cash flows from operating activities:</i>		
Net income .....	173	3,043
Adjustments to reconcile net income/(loss) to net cash provided by operating activities:		
Depreciation and amortization .....	2,087	2,573
Gain on sale assets .....	-	(1,828)
(Gain)/loss on securities, net .....	45	(20)
Unrealized foreign exchange (gains)/losses .....	(264)	(609)
Deferred income taxes .....	(76)	(87)
Other non-cash items .....	(44)	123
Pensions .....	(77)	(88)
Net cash flows from trading securities .....	59	96
Dividend .....	-	(1,249)
Changes in working capital .....	626	254
Net cash provided from/used in operating activities .....	<u>2,529</u>	<u>2,208</u>
<i>Net cash flows from investing activities:</i>		
Purchase of intangible assets .....	(94)	(34)
Cash proceeds from sale of property, vessels and equipment .....	9	1,065
Capital expenditure on property, vessels and equipment .....	(2,708)	(1,890)
Purchase and sale of subsidiaries, net of cash .....	-	1,492
Proceeds from sale of securities .....	32	45
Purchase of securities .....	(24)	(430)
Other investing activities .....	(158)	(196)
Net cash used from investing activities .....	<u>(2,943)</u>	<u>52</u>
<i>Net cash flows from financing activities:</i>		
Proceeds from issuance of debt .....	10,386	140
Principal payments on debt .....	(4,999)	(1,082)
Net change in borrowings on line-of-credit agreements .....	(5,614)	(3,838)
Principal payments on capital lease obligations .....	(79)	(153)
Net change in restricted cash accounts .....	229	7
Intercompany accounts .....	564	405
Dividend received .....	-	1,249
Dividend paid .....	(210)	(244)
Other financing activities .....	(313)	(31)
Net cash provided from financing activities .....	<u>(36)</u>	<u>(3,547)</u>
Effect of exchange rate changes on cash and cash equivalents .....	33	29
Net change in cash and cash equivalents .....	(417)	(1,258)
Cash and cash equivalents at beginning of period .....	<u>1,136</u>	<u>2,282</u>
Cash and cash equivalents at end of period .....	<u>719</u>	<u>1,024</u>



## Other data – Restricted Group

(SEK in millions)	Six month period ended 30 June	
OTHER DATA:	2014	2015
Adjusted EBITDA.....	3,167	4,256

Adjusted EBITDA is defined as income from operations plus cash dividends received from affiliated companies, interest income, depreciation and amortization, non-controlling interest minus aggregate gains on vessel dispositions to the extent such gains exceed 25% of Adjusted EBITDA net of all such gains. Information concerning Adjusted EBITDA is included since it conforms to the definition of Consolidated Cash Flow in the indentures governing our Senior Notes. Adjusted EBITDA is not a measure in accordance with IFRS and should not be used as an alternative to cash flows or as a measure of liquidity and should be read in conjunction with the condensed consolidated statements of cash flows contained in our condensed consolidated financial statements included elsewhere herein.

The computation of Adjusted EBITDA and reconciliation to net cash provided by operating activities is presented below:

(SEK in millions)	Six month period ended 30 June	
	2014	2015
Income from operations .....	935	2,528
Adjustments:		
Interest income .....	145	132
Depreciation and amortization .....	2,087	2,573
Excess gain on assets disposition .....	=	(977)
<b>Adjusted EBITDA .....</b>	<b>3,167</b>	<b>4,256</b>
Adjustments:		
Gain on sale of assets .....	-	(1,828)
Net cash flows from trading securities .....	59	96
Interest expenses .....	(874)	(955)
Unrealized foreign exchange (gains) losses .....	(264)	(609)
Pensions .....	(77)	(88)
Other non-cash items.....	(44)	123
Excess gain on assets disposition .....	-	977
Changes in working capital .....	626	254
Other items .....	(64)	(18)
<b>Net cash provided by operating activities.....</b>	<b>2,529</b>	<b>2,208</b>