STENA AB (publ.)

Interim Report for the three-month period 1 January – 31 March 2014

Highlights:

- Income before taxes amounts to SEK 99 million for the three month period ended 31 March 2014, compared to SEK 121 million for the three month period ended 31 March 2013.

- Consolidated EBITDA increased by SEK 373 million to SEK 1,710 million for the three month period ended 31 March 2014, from SEK 1,337 million for the three month period ended 31 March 2013.

  Ferry Operation
  - EBITDA increased compared to last year due to increased freight volumes and cost saving programs.

  Drilling
  - Significant increased EBITDA due to improved contracts and that *Stena DrillMAX* was off hire due to SPS in the first quarter previous year.

  Crude Oil Tanker
  - Increased EBITDA due to market and strong performance of Suezmax and Aframax and continued profit within Stena Weco

  Property
  - Increased EBITDA due to increased number of properties and dividends from indirect investments.

  Adactum
  - Improved EBITDA due to increased operation within Stena Renewable

- Continued strong liquidity position.

- Strong contract coverage and high utilization in our Drilling and LNG fleet.

Date: 30 May 2014
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 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.

Table of Contents **Page**

Condensed Consolidated Income Statements (unaudited)

(SEK in millions)	Three month period ended 31March 2013	2014
Revenues:		
Ferry operations	2,180	2,256
Drilling	1,664	1,832
Shipping	631	738
Property	612	653
Investments, Adactum	1,416	1,458
Other	6	6
Total revenues	**6,509**	**6,943**
Net valuation on investment properties	28	75
Net gain on sales of assets	26	0
Total other income	**54**	**75**
Direct operating expenses:		
Ferry operations	(1,859)	(1,951)
Drilling	(806)	(816)
Shipping	(313)	(343)
Property	(254)	(241)
Investments, Adactum	(992)	(998)
Other	(5)	0
Total direct operating expenses	**(4,229)**	**(4,349)**
Selling and administrative expenses	(997)	(959)
Depreciation and amortization	(974)	(1,102)
Total operating expenses	**(6,200)**	**(6,410)**
Income from operations	**363**	**608**
Financial income and expense:		
Share of associated companies' results	0	3
Dividends received	20	15
Gain (loss) on securities, net	250	(46)
Interest income	119	114
Interest expense	(571)	(627)
Foreign exchange gains/(losses), net	4	80
Other financial income/(expense), net	(64)	(48)
Total financial income and expense	**(242)**	**(509)**
Income before taxes	**121**	**99**
Income taxes	52	(1)
Net income	**173**	**98**
Earnings attributable to:		
Equity holders of the Parent Company	179	99
Non-controlling interest	(6)	1
Net Income	173	98

Consolidated Statements of Comprehensive Income (unaudited)

(SEK in millions)	**Three month period ended 31 March**	
	2013	**2014**
Result for the period	**173**	**98**
Other comprehensive income		
Items that may subsequently be reclassified to profit and loss:		
Change in fair value reserve, net of tax	165	103
Change in net investment hedge, net of tax	225	(276)
Change in currency translation differences	(414)	113
Other comprehensive income for the period	**(24)**	**(60)**
Total comprehensive income for the period	**149**	**38**
Total comprehensive income attributable to:		
- Owners of the Parent company	149	40
- Non-controlling interest	0	(2)
Total comprehensive income for the period	**149**	**38**

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

Condensed Consolidated Balance Sheets (unaudited)

(SEK in millions)	31 December 2013	31 March 2014
ASSETS		
Noncurrent assets:		
Intangible assets	**4,155**	**4,192**
Tangible fixed assets:		
Vessels	40,956	41,053
Construction in progress	2,450	3,472
Equipment	3,930	3,893
Buildings and land	962	986
Ports	3,261	3,270
Total tangible fixed assets	**51,559**	**52,674**
Investment properties	**27,831**	**28,184**
Financial fixed assets:		
Investment in associated companies	934	938
Investment in SPEs	4,311	4,275
Marketable securities	4,243	4,423
Other non-current assets	3,904	4,170
Total financial fixed assets	**13,392**	**13,806**
Total noncurrent assets	**96,937**	**98,856**
Current assets:		
Inventories	716	765
Trade debtors	2,849	3,031
Other current receivables	1,793	1,811
Prepaid expenses and accrued income	2,170	2,574
Short-term investments	1,694	1,336
Cash and cash equivalents	2,053	1,612
Total current assets	**11,275**	**11,129**
Total assets	**108,212**	**109,985**
SHAREHOLDERS' EQUITY AND LIABILITIES		
Total shareholders' equity	**35,274**	**35,312**
Noncurrent liabilities:		
Deferred income taxes	3,940	3,807
Pension liabilities	649	613
Other provisions	707	756
Long-term debt	45,287	40,390
Debt in SPEs	3,944	3,967
Senior notes	5,324	11,517
Capitalized lease obligations	642	589
Other noncurrent liabilities	722	826
Total noncurrent liabilities	**61,215**	**62,465**
Current liabilities:		
Short-term debt	4,616	4,326
Capitalized lease obligations	231	238
Trade accounts payable	1,722	2,098
Income tax payable	243	254
Other current liabilities	1,655	1,632
Accrued costs and prepaid income	3,256	3,660
Total current liabilities	**11,723**	**12,208**
Total shareholders' equity and liabilities	**108,212**	**109,985**

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					
	Share Capital	Reserves	Retained earnings incl. Net Income	Total	Non-controlling interest	Total Share-holders´ Equity
Closing balance as of 31 December 2012	**5**	**(2,972)**	**32,955**	**29,988**	**280**	**30,268**
Effect of changes in accounting principles[1)]		1,010		**1,010**		**1,010**
Balance at 1 January 2013 (restated)	**5**	**(1,962)**	**32,955**	**30,998**	**280**	**31,278**
Change in fair value reserves		165		**165**		**165**
Change in net investment hedge		225		**225**		**225**
Change in revaluation reserve		(8)	8			
Change in translation reserve		(415)		**(415)**	1	**(414)**
Other comprehensive income		**(33)**	**8**	**(25)**	**1**	**(24)**
Net income			179	**179**	(6)	**173**
Total comprehensive income		**(33)**	**187**	**154**	**(5)**	**149**
Changes in non-controlling interest					(3)	**(3)**
Closing balance as of 31 March 2013	**5**	**(1,995)**	**33,142**	**31,152**	**272**	**31,424**
Closing balance as of 31 December 2013	**5**	**(449)**	**35,457**	**35,013**	**262**	**35,274**
Change in fair value reserves		103		**103**		**103**
Change in net investment hedge		(276)		**(276)**		**(276)**
Change in revaluation reserve		(8)	8			
Change in translation reserve		114		**114**	(1)	**113**
Other comprehensive income		**(67)**	**8**	**(59)**	**(1)**	**(60)**
Net income			99	**99**	(1)	**98**
Total comprehensive income		**(67)**	**107**	**40**	**(2)**	**38**
Changes in non-controlling interest						
Closing balance as of 31 March 2014	**5**	**(516)**	**35,564**	**35,053**	**260**	**35,312**

1) Effects of changes in valuation of ports, from cost method to revaluation method

Condensed Consolidated Statements of Cash Flow (unaudited)

(SEK in millions)	Three month period ended 31 March	
	2013	2014
Net cash flows from operating activities:		
Net income	173	98
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation and amortization	974	1,102
Net valuation of investment properties	(28)	(75)
Gain on sale assets	(26)	-
(Gain)/loss on securities, net	(250)	46
Unrealized foreign exchange (gains) losses	130	(149)
Deferred income taxes	(26)	(7)
Pensions	(14)	(19)
Net cash flows from trading securities	(43)	101
Share of affiliated companies results	-	(3)
Other non-cash items	(67)	(19)
Receivables	(239)	143
Prepaid expenses and accrued income	(422)	(265)
Inventories	(56)	(48)
Trade accounts payable	129	370
Accrued costs and prepaid income	324	365
Income tax payable	15	(48)
Other current liabilities	(698)	(235)
Net cash provided by operating activities	**(124)**	**1,357**
Net cash flows from investing activities:		
Purchase of intangible assets	(17)	(56)
Cash proceeds from sale of property, vessels and equipment	182	6
Capital expenditure on property, vessels and equipment	(1,737)	(2,115)
Purchase of subsidiaries, net of cash acquired	(79)	-
Proceeds from sale of securities	2,040	1,219
Purchase of securities	(1,762)	(1,291)
Other investing activities	(31)	(199)
Net cash used in investing activities	**(1,404)**	**(2,436)**
Net cash flows from financing activities:		
Proceeds from issuance of debt	1,832	10,633
Principal payments on debt	(866)	(4,605)
Net change in borrowings on line-of-credit agreements	794	(5,272)
Principal payments on capital lease obligations	(46)	(54)
Net change in restricted cash accounts	(223)	240
Other financing activities	(18)	(315)
Net cash provided by financing activities	**1,473**	**627**
Effect of exchange rate changes on cash and cash equivalents	(68)	11
Net change in cash and cash equivalents	**(123)**	(441)
Cash and cash equivalents at beginning of period	**1,581**	**2,053**
Cash and cash equivalents at end of period	**1,458**	**1,612**

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 2013, 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 three months ended on 31 March 2014 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 2013, as described in the annual financial statements with the exceptions as mentioned below:

As from 1 January 2014 Stena applies the following new accounting standards:

– IFRS 10, "Consolidated financial statements" builds on existing principles by identifying the concept of control as the determining factor in whether an entity should be included within the consolidated financial statements of the parent company. The standard provides additional guidance to assist in the determination of control where this is difficult to assess. The Group has no effects due to this standard.

– IFRS 11, "Joint arrangements" focuses on the rights and obligations of the parties to the arrangement rather than its legal form. There are two types of joint arrangements: joint operations and joint ventures. Joint operations arise where the investors have rights to the assets and obligations for the liabilities of an arrangement. A joint operator accounts for its share of the assets, liabilities, revenue and expenses. Joint ventures arise where the investors have rights to the net assets of the arrangement; joint ventures are accounted for under the equity method. Proportional consolidation of joint arrangements is no longer permitted. The Group has no effects due to this standard.

– IFRS 12, "Disclosures of interests in other entities" includes the disclosure requirements for all forms of interests in other entities, including joint arrangements, associates, structured entities and other off balance sheet vehicles. The Group will apply IFRS 12 for the accounting year commencing on 1 January 2014. The Group has no effects due to this standard.

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 2013 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 31 March	
	2013	**2014**
Income from operations:		
Ferry operations	(682)	(282)
Drilling	295	359
Shipping: Roll-on/Roll-off vessels	1	15
Crude oil tankers	(26)	41
LNG	98	110
Other shipping	(29)	(31)
Total shipping	44	135
Property:	308	364
Net gain on sale of properties	26	-
Net valuations on investment properties	28	75
Total property	362	439
Investments, Adactum:	18	32
Other	(88)	(75)
Total	**363**	**608**
Depreciation and amortization:		
Ferry operations	304	334
Drilling	416	484
Shipping: Roll-on/Roll-off vessels	64	72
Crude oil tankers	33	36
LNG	62	63
Other shipping	4	7
Total shipping	163	178
Property	2	1
Investments, Adactum	83	98
Other	6	7
Total	**974**	**1,102**

(SEK in millions)	Three month period ended 31 March	
	2013	**2014**
EBITDA from operations:		
Ferry operations	36	52
Drilling	711	843
Shipping: Roll-on/Roll-off vessels	65	87
Crude oil tankers	7	77
LNG	160	173
Other shipping	(25)	(24)
Total shipping	207	313
Property	364	440
Investments, Adactum	101	130
Other	(82)	(68)
Total	**1,337**	**1,710**
Capital expenditures:		
Ferry operations	130	419
Drilling	453	1,236
Shipping: Roll-on/Roll-off vessels	3	51
Crude oil tankers	324	28
LNG	5	6
Other shipping	6	15
Total shipping	338	100
Property	190	246
Investments, Adactum	626	110
Other	-	4
Total	**1,737**	**2,115**

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 Three Months of 2014

In January 2014, the Ropax vessel *Dieppe Seaways*, was acquired. The vessel is a sister vessel to *Stena Superfast VII* and *Stena Superfast VIII*. *Dieppe Seaways* is on a charter to DFDS Seaways until November 2014.

In January 2014, a ten year bond of MUSD 600 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 MUSD 350 was issued. In connection with the MUSD 350 bond MUSD 650 was issued in 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 is to extend existing profile of amortization and increase liquidity. As a result of the transaction the available facilities in existing RCF (Revolver Credit Facility) of MUSD 1,000 will be reduced to MUSD 600.

In February 2014, Stena Line acquired the operation on the route Rosslare (Ireland) – Cherbourg (France). The acquisition will benefit the network as well as improve Stena Line’s strategic position in the southern part of Ireland. The operation will be taken over as from April 2014.

Subsequent Events

None

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 three month period that ended on 31 March 2014, approximately 32% of our total revenues were generated in USD, approximately 18% were generated in EUR, approximately 12% were generated in GBP and approximately 28% were generated in SEK.

In the three month period ended 31 March 2014, approximately 21% of our total expenses were incurred in USD, approximately 14% were incurred in EUR, approximately 18% were incurred in GBP and approximately 34% 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:

Average rates:	**Jan- March 2013**	**Jan-March 2014**	**Change**
US $	6.4333	6.4646	0
British pound	9.9921	10.6987	7%
Euro	8.4971	8.8568	4%

Closing rates:	**As of 31 Dec 2013**	**As of 31 March 2014**	**Change**
US $	6.4279	6.4765	1%
British pound	10.6529	10.7982	1%
Euro	8.8567	8.9223	1%

Revenues

Total revenues increased by SEK 434 million to SEK 6,943 million in the three months ended 31 March 2014 compared to SEK 6,509 million in the three months ended 31 March 2013, as a result of increased revenues in all segments.

Direct Operating Expenses

Total operating expenses increased by SEK 120 million to SEK 4,349 million in the three months that ended on 31 March 2014, compared to SEK 4,229 million in the three months ended 31 March 2013, as a result of increased operating expenses in all segments except for the property segment.

Selling and Administrative Expenses

Selling and administrative expenses decreased by SEK 38 million to SEK 959 million in the three months that ended 31 March 2014, compared to SEK 997 million in the three month period that ended on 31 March 2013.

Depreciation and Amortization

Depreciation and amortization charges increased by SEK 128 million to SEK 1,102 million in the three months ended 31 March 2014, compared to SEK 974 million in the three months ended 31 March 2013, mainly as a result of new acquisitions.

EBITDA

The EBITDA for the total Group increased by SEK 373 million to SEK 1,710 million in the three months that ended on 31 March 2014 compared to SEK 1,337 million last year.

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 increased by SEK 16 million to SEK 52 million in the three months ended 31 March 2014, from SEK 36 million in the corresponding period in 2013 mainly due to increased freight volumes, cost saving programs, offset by an impairment of an acquisition of the new route Rosslare (Ireland)-Cherbourg (France). Car/freight volumes increased: +6% / +9% compared to the corresponding period last year.

In 2014, Stena Line is continuing restructuring some of its operations 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 increased by SEK 132 million to SEK 843 million in the three month period 2014 compared to SEK 711 million in the corresponding period in 2013. The increase is due to improved charter rates and that *Stena DrillMax* was on SPS (Special Periodic Survey) in 2013.

All drilling units have good contract coverage.

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.

Crude Oil Tankers

Our crude oil tanker operation generated EBITDA of SEK 77 million in the three month period ended 31 March 2014 compared to SEK 7 million for the same period in 2013 due to increased T/C-net for primarily Aframax and Suezmax segments.

Operationally and technically the fleet is performing well in a weak market.

LNG Operations

LNG generated EBITDA of SEK 173 million compared to EBITDA of SEK 160 million in the corresponding period in 2013, which is an improvement of SEK 13 million. The improvement is mainly due to improved charter rates for *Stena Blue Sky* and higher utilization compared to the same period last year.

RoRo Operations

EBITDA from chartering out Roll-on/Roll-off vessels increased by SEK 22 million to SEK 87 million in the three month period ended 31 March 2014, from SEK 65 million in the same period in 2013. The increase is mainly due to acquisitions of new vessels and high utilizations.

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 440 million for the three month period ended 31 March 2014, compared to SEK 364 million for the same period in 2013, mainly due to favorable winter season, lower maintenance and operational costs and dividends from property funds. Occupancy rates for Swedish properties were approximately 98%, and non-Swedish properties were approximately 83% which is mainly due to the weak Dutch market.

Investments, Adactum

The EBITDA for Stena Adactum increased by SEK 29 million to SEK 130 million in the three month period ended 31 March 2014, compared to SEK 101 million in 2013. EBITDA increased mainly due to increased operations within Stena Renewable.

Ballingslöv: EBITDA for the three months ended 31 March 2014 was SEK 50 million, compared to SEK 54 million for the three months ended 31 March 2013.

Envac: EBITDA for the three months ended 31 March 2014 was SEK 6 million compared to SEK 12 million in the corresponding period in 2013. EBITDA is lower than the corresponding period last year due to a weaker construction market with delayed projects as a consequence.

Stena Renewable: EBITDA for the three months ended 31 March 2014 was SEK 81 million compared to SEK 30 million for the corresponding period in 2013. The higher EBITDA is due to an increased number of windmills.

Mediatec: EBITDA for the three months ended 31 March 2014 was SEK 29 million compared to SEK 30 million for the corresponding period in 2013.

Blomsterlandet: EBITDA for the three months ended 31 March 2014 was SEK (19) million compared to SEK (25) million in the same corresponding period in 2013. The increase is due to a warmer spring in Sweden.

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 75 million for the three month period ended 31 March 2014, as compared to SEK 28 million for the same period in 2013.

Net gain on sale of vessels. In the three months ended 31 March 2014 and 2013 there were no sales of vessels.

Net gain on sale of properties. In the three month period ended 31 March 2014 there were no sales of properties. In 2013 net gains from sale of properties were SEK 26 million.

Financial Income/(Expense)

Total financial expenses net decreased by SEK 267 million to SEK (509) million in the three months ended 31 March 2014, from SEK (242) million in the three months ended 31 March 2013, mainly due to increased interest expenses and decreased unrealized gains of the financial portfolios compared to last year, offset by an increased FX net.

The share of affiliated companies' results in the three months ended 31 March 2014 relates to Stena's portion of the results in Midsona AB (publ), Gunnebo AB (publ) and Wisent Oil and Gas.

Income Taxes

Income taxes for the three months that ended on 31 March 2014, were SEK (1) million, consisting of current taxes of SEK (8) million and deferred taxes of SEK 7 million. Income taxes for the three months ended 31 March 2013, were SEK 52 million, consisting of current taxes of SEK 26 million and deferred taxes of SEK 26 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 31 March, 2014, total cash and marketable securities amounted to SEK 7,371 million as compared to SEK 7,990 million as of December 31, 2013.

For the three months ended 31 March, 2014, cash flows provided by operating activities amounted to SEK 1,357 million, as compared to SEK (124) million in the first three months ended 31 March, 2013. For the three months ended 31 March, 2014, cash flows used in investing activities amounted to SEK (2,436) million, including SEK (2,115) million related to capital expenditures, as compared to SEK (1,404) million, including SEK (1,737) million related to capital expenditures, in the three months ended 31 March, 2013. Cash flows provided by financing activities for the three months ended 31 March, 2014 amounted to SEK 627 million, as compared to SEK 1,473 million in the three months ended 31 March, 2013.

As of 31 March, 2014, the total construction in progress was SEK 3,472 million, as compared to SEK 2,450 million as of 31 December, 2013. The remaining capital expenditure commitment for new buildings on order as of 31 March 2014 was SEK 4,338 million, of which SEK 743 million is due during 2014, SEK 340 million is due in 2015 and SEK 3,255 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 31 March, 2014, total interest bearing debt was SEK 57,060 million, excluding debt in SPEs, as compared to SEK 56,100 million as of 31 December 2013.

During the first quarter 2014 our $1.000 million revolving credit facility has been reduced down to $600 million in connection with issuing of $1.6 billion in new debt. As of 31 March 2014, $ 237 million was utilized under our $600 million revolving credit facility of which $6 million was used for issuing bank guarantees and letters of credit. As of 31 December 2013, $625 million was utilized under our $1 billion revolving credit facility, including $6 million used for issuing bank guarantees and letters of credit.

As of 31 March 2014, $207 million was utilized under the $200 million revolving credit facility entered into by Stena International SA. as compared to $146 million as of 31 December 2013.

As of 31 March 2014, our SEK 300 million credit facility in Adactum was unutilized, which is the same as per 31 December 2013.

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 3,084 million as of 31 March 2014 compared to SEK 6,436 million as of 31 December 2013.

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 three months ended 31 March 2014, 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.àr.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.àr.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.

As of March 31, 2014, we had outstanding €300 million principal amount of Senior Notes due 2017, €102 million principal amount of Senior Notes due 2019 and €200 million principal amount of Senior Notes due 2020.

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

Condensed Consolidated Income Statements – Restricted Group

(SEK in millions) **(unaudited)**	**Three month period ended 31 March** **2013**	**2014**
Revenues:		
Ferry operations	2,180	2,256
Drilling	1,664	1,832
Shipping	631	738
Other	8	6
Total revenues	**4,483**	**4,832**
Net gain on sales of assets	-	-
Total other income	-	-
Direct operating expenses:		
Ferry operations	(1,859)	(1,951)
Drilling	(806)	(816)
Shipping	(313)	(343)
Other	(6)	0
Total direct operating expenses	**(2,984)**	**(3,110)**
Selling and administrative expenses	(616)	(570)
Depreciation and amortization	(889)	(1,004)
Total operating expenses	**(4,489)**	**(4,684)**
Income/(loss) from operations	**(6)**	**148**
Net financial income and expenses:		
Dividends received	1	0
Net gain (loss) on securities	15	(57)
Interest income	80	59
Interest expense	(407)	(409)
Foreign exchange gains (losses), net	14	79
Other financial income (expenses), net	(40)	(39)
Total financial income and expenses	**(337)**	**(367)**
Income/(loss) after financial income and expenses	**(343)**	**(219)**
Non-controlling interest	7	1
Income/(loss) before tax	**(336)**	**(218)**
Income taxes	97	62
Net income/(loss)	**(239)**	**(156)**

Condensed Consolidated Balance Sheets – Restricted Group

(SEK in millions) (unaudited)	31 December 2013	31 March 2014
ASSETS		
Noncurrent assets:		
Intangible assets	1,387	1,422
Tangible fixed assets:		
Vessels	40,956	41,053
Construction in progress	2,202	3,156
Equipment	1,203	1,196
Ports	3,261	3,270
Property	471	493
Total tangible fixed assets	48,093	49,168
Financial fixed assets:		
Marketable securities	409	338
Intercompany accounts, noncurrent	5,997	5,643
Other assets	8,879	9,341
Total noncurrent assets	64,765	65,912
Current assets:		
Inventories	266	262
Trade debtors	2,012	2,184
Other receivables	1,877	1,560
Prepaid expenses and accrued income	1,617	2,003
Short-term investments	1,223	878
Cash and cash equivalents	1,136	636
Total current assets	8,131	7,523
Total assets	72,896	73,435
SHAREHOLDERS' EQUITY AND LIABILITIES		
Shareholders' equity:		
Share Capital	5	5
Reserves	26,355	26,367
Equity attributable to shareholders of the company	26,360	26,372
Non-controlling interest	107	106
Total Equity	26,467	26,478
Noncurrent liabilities:		
Deferred income taxes	698	559
Other provisions	1,175	1,217
Long-term debt	29,388	23,777
Senior notes	5,303	11,517
Capitalized lease obligations	516	480
Other noncurrent liabilities	222	215
Total noncurrent liabilities	37,302	37,765
Current liabilities:		
Short-term debt	3,604	3,178
Senior notes	0	0
Capitalized lease obligations	156	158
Trade accounts payable	757	1,050
Income tax payable	77	81
Other liabilities	1,472	1,112
Intercompany liabilities	710	808
Accrued costs and prepaid income	2,351	2,805
Total current liabilities	9,127	9,192
Total shareholders' equity and liabilities	72,896	73,435

Condensed Consolidated Statements of Cash Flow – Restricted Group

(SEK in millions) (unaudited)	Three month period ended 31 March 2013	2014
Net cash flows from operating activities:		
Net income/(loss)	(239)	(156)
Adjustments to reconcile net income/(loss) to net cash provided by operating activities:		
Depreciation and amortization	889	1,004
Gain on sale assets	-	-
(Gain) loss on securities, net	(15)	57
Unrealized foreign exchange (gains) losses	152	(114)
Deferred income taxes	(56)	(55)
Other non-cash items	(63)	(27)
Pensions	(16)	(20)
Net cash flows from trading securities	(51)	74
Changes in working capital	(203)	217
Net cash provided by/used in operating activities	**398**	**980**
Net cash flows from investing activities:		
Purchase of intangible assets	(13)	(49)
Cash proceeds from sale of property, vessels and equipment	-	6
Capital expenditure on property, vessels and equipment	(921)	(1,759)
Purchase of subsidiaries, net of cash acquired	58	-
Proceeds from sale of securities	21	29
Purchase of securities	-	(25)
Other investing activities	(15)	(130)
Net cash used in investing activities	**(870)**	**(1,928)**
Net cash flows from financing activities:		
Proceeds from issuance of debt	3	10,288
Principal payments on debt	(412)	(4,502)
Net change in borrowings on line-of-credit agreements	433	(5,725)
Principal payments on capital lease obligations	(27)	(39)
Net change in restricted cash accounts	(72)	252
Intercompany accounts	536	469
Dividend paid	-	-
Other financing activities	1	(306)
Net cash provided by financing activities	**462**	**437**
Effect of exchange rate changes on cash and cash equivalents	(44)	11
Net change in cash and cash equivalents	(54)	(500)
Cash and cash equivalents at beginning of period	**836**	**1,136**
Cash and cash equivalents at end of period	**782**	**636**

Other data – Restricted Group

(SEK in millions)	**Three month period ended 31 March**	
	2013	**2014**
OTHER DATA:		
Adjusted EBITDA	963	1,211

Adjusted EBITDA is defined as income from operations plus cash dividends received from affiliated companies, interest income, depreciation and amortization, non-controlling interest and non-cash charges 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)	**Three month period ended 31 March**	
	2013	**2014**
Income from operations	(6)	148
Adjustments:		
Interest income	80	59
Depreciation and amortization	889	1,004
Adjusted EBITDA	**963**	**1,211**
Adjustments:		
Gain on sale of vessels	-	-
Net cash flows from trading securities	(51)	74
Interest expenses	(407)	(409)
Unrealized foreign exchange (gains) losses	152	(114)
Pensions	(16)	(20)
Other non-cash items	(63)	(27)
Changes in working capital	(203)	217
Other items	23	48
Net cash provided by operating activities	**398**	**980**