

# Copenhagen Malmö Port Annual Report 2002



### Board of directors and managers of Copenhagen Malmö Port AB

#### Appointed by Port of Copenhagen Ltd.:

Managing director Henning Hummelose  
(chairman of the board)

Professor, Dr.Merc. Peter Maskell

Director Niels Bach

Director Kaj Schmidt

#### Appointed by Port of Malmö Ltd.:

Director Bengt Madsen (vice-chairman of the board)

Regional manager Christina Wessling

Associate professor Percy Liedholm

Director Åke Svensson

#### Staff representatives:

Electrician Bertil Serlstedt

Crane driver Mats Andersson

Docker Søren A. Nyegaard

Crane driver Alfred Voldum

#### Management:

Managing director Lars Karlsson

Deputy managing director Lennart Pettersson

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## A word from the managing director

Copenhagen Malmö Port AB, CMP, was established 1 January 2001 as the result of a merger of port and freight handling activities in Copenhagen and Malmö. After a turbulent first year full of practical work, CMP emerged from 2002 as a strong and well-organised company with a highly qualified management team capable of leading CMP into the future and improving its financial results. The new organisation is based on customer focus and decentralisation and the time has now come to look at the situation in a wider perspective.

In early 2002, CMP signed a long-term agreement with the European arm of the Toyota Motor Company to build and run a car terminal, the "Nordic Hub Malmö", which will serve as the distribution centre for all Toyota cars in the Nordic market. The new facility marks the start of an extremely interesting period for the logistics industry in the Øresund Region. CMP has large reserves of available space in both Copenhagen and Malmö, making it ideally placed to play a leading role in these developments. "Nordic Hub Malmö" was handed over to Toyota 1 January 2003 and the first ships docked there in February.

The new Toyota facility is the first step in an interesting development phase in the Øresund Region. The size of the population base means that the logistic centre of gravity for the whole Nordic distribution area is converging on the Øresund Region. For example, major production and distribution companies are setting up in the region as they, like Toyota, rationalise their distribution channels. A number of CMP's expansion and restructuring projects aim to facilitate the setting up of new distribution centres and provide more efficient services for existing customers.

A new DFDS ferry terminal in Søndre Frihavn, Copenhagen, is scheduled for completion in April 2004. A "logistics centre" with a railway terminal is planned in Norra Hamnen, Malmö. This project also includes moving cargo ferry traffic in Nyhamnen to a new facility in Norra Hamnen. Restructuring work is soon to start in the Frihavn area in Copenhagen to improve the efficiency of freight handling at the terminal.

Developments in the distribution and logistics industry increase demands on the infrastructure to and from ports, so we are working closely with the harbour owners, municipalities, authorities and other stakeholders to develop road and rail networks. Good infrastructure is a precondition for new companies setting up in the ports and for efficient exploitation of the large amount of unused space still available to CMP.

Profits were lower than expected in 2002, mainly due to the unexpected closure of hydrofoil services last spring, a sharp decline in the volumes of oil passing through Copenhagen and a delay in opening the new DFDS ferry route from Copenhagen to Gdansk. The accounts also include extraordinary costs for retirement deals for older employees. This is, however, part of much needed long-term measures to redress the imbalance in the age of the workforce and to lower the average age of the employees. Despite the financial results in 2002, we still expect to meet the long-term targets set by the board.

The global and European economies are depressed at the moment and uncertainty prevalent. CMP has not been immune to these problems in 2002 but our development potential is unique in a number of critical areas. We are located at the heart of a "regional boom". Fresh data shows that growth in the Øresund Region is the highest in Scandinavia. Although aware that the situation can change rapidly, we have every confidence in the future. As a service company, we depend on the success of our customers and the external factors that affect them.

CMP is now entering its third year in business and the prospects for the future are bright. We have established a strong company and an organisation in which employees thrive and enjoy job satisfaction. All the prejudices about cultural differences and problems raised by outside observers have been put to shame. Cross border co-operation is a great source of strength, one many companies in the region will exploit in the future. The full growth potential inherent in increased co-operation between companies, organisations and authorities in the Øresund Region is still far from exhausted.

Setting up CMP was a positive move and there is still plenty of business development potential. The way in which the workforce met challenges last year reinforces my faith in the future. For this and many other reasons covered in this report, I approach the future with confidence.

Copenhagen, February 2003

Lars Karlsson



## Management report

Company registration no. 556027-4077

The board of directors and managing director of Copenhagen Malmö Port AB (CMP) hereby present the annual report for the financial year January-December 2002.

### Group structure and the nature and organisation of activity

CMP is a fifty/fifty joint venture owned by Port of Malmö Ltd. (company registration no. 556014-7596) and Port of Copenhagen Ltd. (Danish company registration no. SE 17 15 94 10).

CMP activities in Denmark are managed by a CMP subsidiary (Danish company registration no. SE 25 99 60 11).

CMP leases fixed plant such as quays, warehouses, buildings, cranes, etc., from Port of Malmö and Port of Copenhagen. CMP pays an annual fee for these facilities based upon the cost of existing facilities, upon the cost of investment in new facilities and upon CMP's turnover.

The leasing agreement between CMP AB and the co-owners is subject to a six-month period of notice until the end of 2003. If notice is not served at the end of 2003, the agreement will be extended for a further period of 20 years from January 2004.

CMP AB's mission is to be a leading harbour and port operator and to do so by meeting customer needs. CMP's business concept consists of providing a range of port, terminal and transport services that meet customer needs.

### Turnover and results

CMP made a profit after financial items of SEK 13.2 million in 2002, up from 8.8 million in 2001. The result is lower than expected due to the closure of the hydrofoil service in April 2002, a sharp fall in turnover of oil products at Prøvestenen in Copenhagen and early retirement payouts totalling SEK 8.7 million to older members of staff. Against this background, the annual result is considered satisfactory.

Total turnover in 2002 was SEK 473 million, up from SEK 464 million in 2001. Income from renting out premises increased, while harbour fees revenue fell as a result of the conditions described above.

Total operating costs were SEK 461.5 million in 2002, up SEK 4.8 million. Personnel costs rose as a result of the increase in the amount of freight handled and one-off early retirement payments. The costs of maintenance on fixed plant increased while operating and administrative costs fell compared to 2001.

| Key financial data                                | 2002    | 2001    |
|---|---------|---------|
| Net turnover (SEK million)                        | 473.4   | 463.9   |
| Profit after financial items (SEK million)        | 13.2    | 8.8     |
| Operating profit (SEK million)                    | 11.2    | 6.6     |
| Solvency (%)                                      | 58.4    | 55.8    |
| Profit/equity ratio (%)                           | 10.2    | 4.9     |
| Turnover per employee (SEK 1,000)                 | 1,081.0 | 1,052.0 |
| Turnover from operations per employee (SEK 1,000) | 379.0   | 343.0   |
| Number of employees                               | 438     | 441     |



### Important events during and after the financial year

Total freight turnover in 2002 was 13.4 million tons, unchanged from 2001. The global economic climate has had a negative effect on CMP's freight turnover but the figures also show that CMP is making considerable progress in other areas, more or less balancing out the negative effects of the current recession.

Passenger and cruise traffic has been satisfactory in terms of turnover and activity in 2002. A new ferry route opened between Copenhagen and Gdansk in October and early indications are that passenger numbers are promising. Closure of the hydrofoil services between Copenhagen and Malmö in April 2002 had a negative effect on business. The number of cruise ships docking in Copenhagen, 174, was the lowest in several years. It was a temporary phenomenon, however, and advanced bookings for 2003 hold out the prospect of a new record of approximately 250 ships.

Logistics activity in 2002 was more or less the same as in 2001. Turnover associated with the largest contract in Malmö, handling and storing stainless steel, continues to grow while the rest of the customer portfolio has experienced both positive and negative tendencies.

Container turnover was 130,000 TEUs in 2002, up 2% on 2001. A new container crane at a price of over SEK 50 million started work in the Copenhagen container terminal.

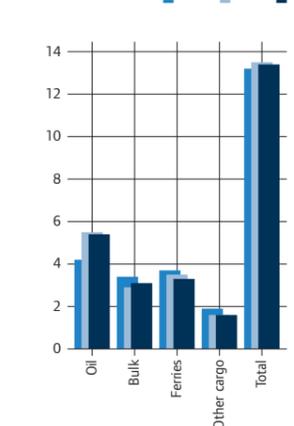
The Ro/Ro and cars sector expanded in 2002. Approximately 39,000 new cars were landed, more or less evenly split between Copenhagen and Malmö, up 48% on 2001. Further increases are expected in 2003 after Nordic Hub Malmö takes delivery of the first shipment of Toyota cars in February. Twenty new members of staff were taken on at the Hub in November 2002.

On the whole, 2002 was a satisfactory year for oil & bulk. Bulk freight increased by 8% and is now over 3 million tons. The total oil turnover in 2002 was 5.4 million tons, down 3% from 2001. In Malmö, oil freight was up 20%, continuing the recent positive trend. Oil turnover in Copenhagen suffered a relatively large fall but is expected to recover in 2003.



CMP freight turnover – millions of tons

|             | 2000 | 2001 | 2002 |
|-------------|------|------|------|
| Oil         | 4.2  | 5.5  | 5.4  |
| Bulk        | 3.4  | 2.9  | 3.1  |
| Ferries     | 3.7  | 3.5  | 3.3  |
| Other cargo | 1.9  | 1.6  | 1.6  |
| Total       | 13.2 | 13.5 | 13.4 |

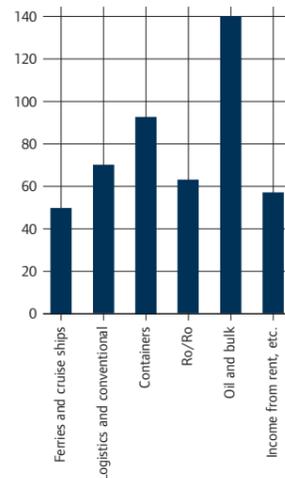




### The future

CMP's turnover  
per area of business 2002

|                            | SEK million | Percent |
|----------------------------|-------------|---------|
| Ferries and cruise ships   | 50          | 11      |
| Logistics and conventional | 70          | 15      |
| Containers                 | 93          | 20      |
| Ro/Ro                      | 63          | 13      |
| Oil and bulk               | 140         | 29      |
| Income from rent, etc.     | 57          | 12      |
| Total                      | 473         | 100     |



Turnover is expected to increase by around 10% in 2003, mainly due to the Nordic Hub and a relatively large increase in the number of cruise ships. In most other areas of business, no change or slight progress is expected.

CMP AB faces a demanding future as competition from other ports and modes of transport increases. The management considers performance in certain areas of CMP's business unsatisfactory and will concentrate on these areas in the next few years and future financial results are expected to improve.

CMP has set a target of a minimum 15% yield on equity, which is expected to be achieved within three years.

### Personnel

2002 was the first full business year for CMP. Internally, the company concentrated on streamlining and adapting the organisation and working processes to suit future customer needs.

In spring 2002, early retirement deals were reached with 16 older members of staff in Copenhagen. A number of the posts were then filled by younger employees.

Skilled and committed employees are a precondition for satisfactory customer service. In 2002, a study was conducted to identify areas where special efforts are needed to improve skills and job satisfaction. Follow-up studies will be conducted.

### The environment

CMP prioritises the environment. Company policy on the environment states that "CMP AB will continuously put a high priority on and improve health, safety and the environment in order to achieve long-term sustainable development".

In CMP's Swedish operations, work has been going on since 2000 on the introduction of an environmental control system which meets international standard ISO 14.001. The objective for CMP AB is to achieve environmental certification in 2003.

From January 1, 2005, port operators in Sweden will be licensed under a new environmental code. Licensing issues arising out from the new code will be dealt with during the environmental certification process.

### Investments

Investments in machinery and inventory in 2002 amounted to SEK 11.6 million. SEK 18.5 million was also spent on ongoing plant projects, mainly a specially adapted ramp for ferry traffic in Malmö. The ramp became operational in January 2003.

### Financial strategy

At the end of the year, CMP's liquid funds and short-term investments totalled SEK 67.4 million. The board has adopted a relatively cautious financial strategy according to which a minimum of 40% of investments must be in liquid funds or bonds and other interest-bearing securities. In the light of the general trend on the stock markets in 2002, all investments per 31 December 2002 were in bonds and other interest-bearing securities.

### Proposed allocation of profit

The Annual General Meeting has the following profits at its disposal:

|                                    |                      |
|------------------------------------|----------------------|
| Balanced profit from previous year | SEK 3,340,665        |
| Profit                             | SEK 2,113,126        |
| <b>Total</b>                       | <b>SEK 5,453,791</b> |

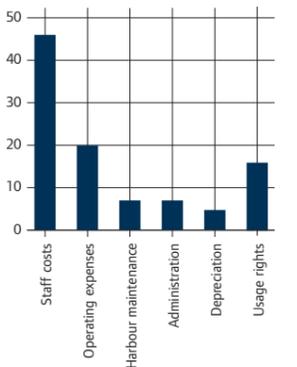
The board of directors and the managing director propose that SEK 5,453,791 be carried forward.

For further information about the company's results and financial position for 2001 and 2002, please refer to the profit-and-loss account, balance sheet and notes below.



CMP operating costs 2002

|                     | SEK million | Percent |
|---------------------|-------------|---------|
| Staff costs         | 213         | 46      |
| Operating expenses  | 94          | 20      |
| Harbour maintenance | 30          | 7       |
| Administration      | 34          | 7       |
| Depreciation        | 17          | 4       |
| Usage rights        | 74          | 16      |
| Total               | 462         | 100     |





## Profit and loss account

| SEK 1,000                                | Note | 2002          | 2001         |
|--|------|---------------|--------------|
| Net turnover                             | 1    | 473,420       | 463,994      |
| <b>OPERATING COSTS:</b>                  |      |               |              |
| Other external costs                     | 2    | -231,912      | -230,220     |
| Staff costs                              | 3    | -213,064      | -198,641     |
| Depreciation                             | 4    | -17,223       | -28,565      |
| <b>Operating profit</b>                  |      | <b>11,221</b> | <b>6,568</b> |
| <b>PROFIT ON FINANCIAL INVESTMENTS:</b>  |      |               |              |
| Share of profits in associated companies | 5    | -722          | -56          |
| Other interest income and similar items  |      | 2,788         | 3,839        |
| Interest costs and similar items         |      | -90           | -1,576       |
| <b>Profit after financial items</b>      |      | <b>13,197</b> | <b>8,775</b> |
| Balance-sheet allocations                | 6    | -8,599        | -2,300       |
| Tax                                      |      | -2,485        | -2,753       |
| <b>NET PROFIT FOR THE YEAR</b>           |      | <b>2,113</b>  | <b>3,722</b> |

## Balance sheet

## ASSETS

| SEK 1,000                                      | Note | 2002.12.31     | 2001.12.31     |
|--|------|----------------|----------------|
| <b>FIXED ASSETS</b>                            |      |                |                |
| <b>Tangible assets</b>                         |      |                |                |
|  | 4    |                |                |
| Machinery and other technical plant            |      | 70,072         | 79,265         |
| Inventories, tools and installations           |      | 4,540          | 5,729          |
| Ongoing building projects and advance payments |      | 18,484         | 0              |
|  |      | <b>93,096</b>  | <b>84,994</b>  |
| <b>Financial assets</b>                        |      |                |                |
| Holdings in associated companies               | 5    | 11,738         | 13,244         |
| Other financial assets                         |      | 1,796          | 439            |
| Assets   |      | <b>13,534</b>  | <b>13,683</b>  |
| <b>Total fixed assets</b>                      |      | <b>106,630</b> | <b>98,677</b>  |
| <b>LIQUID ASSETS</b>                           |      |                |                |
| <b>Short-term credits</b>                      |      |                |                |
| Credits to co-owners                           |      | 47,382         | 49,395         |
| Credits to associated companies                |      | 492            | 2,754          |
| Other credits                                  |      | 1,517          | 3,326          |
| Prepaid costs and accrued income               |      | 3,343          | 872            |
|  |      | <b>52,734</b>  | <b>56,347</b>  |
| <b>Short-term investments</b>                  |      |                |                |
| Securities                                     |      | 40,701         | 0              |
| <b>Cash and bank accounts</b>                  |      | <b>26,746</b>  | <b>69,805</b>  |
| <b>Total liquid assets</b>                     |      | <b>120,181</b> | <b>126,152</b> |
| <b>TOTAL ASSETS</b>                            |      | <b>226,811</b> | <b>224,829</b> |

## EQUITY AND DEBT

| SEK 1,000                        | Note | 2002.12.31     | 2001.12.31     |
|----------------------------------|------|----------------|----------------|
| <b>EQUITY</b>                    |      |                |                |
| <b>Tied equity</b>               |      |                |                |
|                                  | 8    |                |                |
| Share capital                    |      | 100,000        | 100,000        |
| Premium fund                     |      | 20,000         | 20,000         |
| Reserve fund                     |      | 388            | 8              |
| Exchange rate differences        |      | -1,281         | 1,775          |
|                                  |      | <b>119,107</b> | <b>121,783</b> |
| <b>Free equity</b>               |      |                |                |
| Balance                          |      | 3,340          | -2             |
| Net profit for the year          |      | 2,113          | 3,722          |
|                                  |      | <b>5,453</b>   | <b>3,720</b>   |
| <b>Total equity</b>              |      | <b>124,560</b> | <b>125,503</b> |
| <b>Untaxed reserves</b>          |      |                |                |
|                                  | 6    | <b>10,899</b>  | <b>2,300</b>   |
| <b>Appropriations</b>            |      |                |                |
|                                  |      | <b>1,955</b>   | <b>1,415</b>   |
| <b>SHORT-TERM DEBT</b>           |      |                |                |
| Supplier debt                    |      | 24,946         | 25,184         |
| Debt, co-owners                  |      | 2,150          | 11,122         |
| Tax debt                         |      | 1,204          | 0              |
| Miscellaneous debt               |      | 5,615          | 4,537          |
| Accrued costs and prepaid income | 7    | 55,482         | 54,768         |
|                                  |      | <b>89,397</b>  | <b>95,611</b>  |
| <b>TOTAL EQUITY AND DEBTS</b>    |      | <b>226,811</b> | <b>224,829</b> |
| <b>ABOVE-THE-LINE ITEMS</b>      |      |                |                |
| Securities received              |      | None           | None           |
| Guarantee commitments            |      | None           | None           |

## Additional information

### Accounting principles

The accounting principles used accord with the Law on Annual Reports and recommendations and statements from the Swedish Accounting Standards Board, the Swedish Financial Accounting Standards Council and the Swedish Institute of Authorised Public Accountants (FAR).

The following assessment and conversion principles have been used in the annual report:

### Co-owners

Port of Malmö Ltd. and Port of Copenhagen Ltd. are referred to as co-owners in the annual report.

### Associated companies

Associated companies have been accounted for according to the capital participation method. The former part owner, Port of Copenhagen, accounted for associated companies directly. For increased comparability, this has also been done by CMP AB.

### Fixed assets

Fixed assets are accounted for in terms of acquisition cost with allowance for planned depreciation based upon an estimation of the financial life of the assets.

Planned depreciation is calculated as follows:

|                                       |             |
|---------------------------------------|-------------|
| Machinery                             | 7-10 years  |
| Building inventory                    | 10-20 years |
| Computers                             | 3 years     |
| Vehicles and non-perishable inventory | 5 years     |

Tax-related write-offs in excess of planned depreciation are regarded as extra depreciation, constituting an untaxed reserve.

### Credits and debts

Credits are entered into the accounts at the amount expected to be paid. Credits and debts in foreign currency are converted into Swedish kronor at the rate on the day the balance sheet is closed. Any difference between acquisition value and closure value is accounted for.

### Foreign subsidiaries

Profits and balances of foreign subsidiaries are converted according to the daily rate method by which calculation differences are reckoned against equity.

### NOTES

#### Note 1 Turnover

| SEK 1,000        | 2002           | 2001           |
|------------------|----------------|----------------|
| Terminal income  | 341,619        | 333,997        |
| Income from rent | 85,938         | 82,112         |
| Misc. income     | 45,863         | 47,885         |
| <b>Total</b>     | <b>473,420</b> | <b>463,994</b> |

#### NOTE 2 AUDITING FEE

| SEK 1,000                       | 2002       | 2001         |
|---------------------------------|------------|--------------|
| Auditing fee, Deloitte & Touche | 375        | 375          |
| Consultancy, Deloitte & Touche  | 396        | 734          |
| <b>Total</b>                    | <b>771</b> | <b>1,109</b> |

#### NOTE 3 NO. EMPLOYEES, SALARIES AND EMOLUMENTS TO EMPLOYEES, DIRECTORS AND ACCOUNTANTS

| Average workforce | 2002 | 2001 |
|-------------------|------|------|
|-------------------|------|------|

#### Malmö

|              |            |            |
|--------------|------------|------------|
| Men          | 164        | 150        |
| Women        | 15         | 27         |
| <b>Total</b> | <b>179</b> | <b>177</b> |

#### Copenhagen

|              |            |            |
|--------------|------------|------------|
| Men          | 226        | 233        |
| Women        | 33         | 31         |
| <b>Total</b> | <b>259</b> | <b>264</b> |

|              |            |            |
|--------------|------------|------------|
| <b>Total</b> | <b>438</b> | <b>441</b> |
|--------------|------------|------------|

### Staff costs

| SEK 1,000   | 2002  | 2001  |
|---|-------|-------|
| Board, managing director and deputy managing director |       |       |
| Salaries and other remuneration                       | 2,781 | 2,365 |
| Payroll costs   | 1,694 | 1,356 |
| - of which pensions costs and obligations             | 839   | 718   |

| SEK 1,000                                 | 2002    | 2001    |
|---|---------|---------|
| Other employees                           |         |         |
| Salaries and other compensation           | 170,824 | 165,036 |
| Payroll costs                             | 33,655  | 25,914  |
| - of which pensions costs and obligations | 15,150  | 9,017   |

Agreements on severance payments amounting to two years' salary have been made with the managing director and deputy managing director. In 2002, early retirement payments of SEK 8.7 million were entered into the accounts.

### NOTE 4 TANGIBLE ASSETS

| SEK 1,000 | 2002 | 2001 |
|-----------|------|------|
|-----------|------|------|

#### Machinery and other technical plant

|  |               |               |
|--|---------------|---------------|
| Opening acquisition value                    | 93,700        | 0             |
| Exchange rate adjustments                    | -1,640        | 0             |
| Acquisitions                                 | 8,630         | 98,314        |
| Sales/disposals                              | -1,667        | -4,614        |
| <b>Closing accumulated acquisition value</b> | <b>99,023</b> | <b>93,700</b> |

|   |                |                |
|---|----------------|----------------|
| Opening depreciations                   | -14,435        | 0              |
| Sales/disposals                         | 352            | 253            |
| Depreciation for the year               | -14,868        | -14,688        |
| <b>Closing accumulated depreciation</b> | <b>-28,951</b> | <b>-14,435</b> |

|                                       |               |               |
|---------------------------------------|---------------|---------------|
| <b>Closing planned residual value</b> | <b>70,072</b> | <b>79,265</b> |
|---------------------------------------|---------------|---------------|

#### Inventories, tools and installations

|  |               |               |
|--|---------------|---------------|
| Opening acquisition value                    | 19,596        | 0             |
| Exchange rate adjustments                    | -383          | 0             |
| Acquisitions                                 | 1,552         | 19,618        |
| Sales/disposals                              | -8            | -22           |
| <b>Closing accumulated acquisition value</b> | <b>20,757</b> | <b>19,596</b> |

|   |                |                |
|---|----------------|----------------|
| Opening depreciations                   | -13,867        | 0              |
| Sales/disposals                         | 5              | 10             |
| Depreciation for the year               | -2,355         | -13,867        |
| <b>Closing accumulated depreciation</b> | <b>-16,217</b> | <b>-13,867</b> |

|                                       |              |              |
|---------------------------------------|--------------|--------------|
| <b>Closing planned residual value</b> | <b>4,540</b> | <b>5,729</b> |
|---------------------------------------|--------------|--------------|

#### New assets and advances

|                        |               |          |
|------------------------|---------------|----------|
| Opening balance        | 0             | 0        |
| Costs during the year  | 18,484        | 0        |
| <b>Closing balance</b> | <b>18,484</b> | <b>0</b> |

#### Leasing (SEK 1,000)

The company incurs leasing charges for vehicles, machines and inventory. Costs 2002 -902.

Future leasing costs: 2003 -1,539, 2004 -1,229, 2005 -794, 2006 -408, 2007 -249.

### Note 5 Holdings in associated companies

| SEK 1,000                                  | CMP's holding | Share capital | Capital 2002 | Owner's share | Capital |
|--|---------------|---------------|--------------|---------------|---------|
| ContainerCare AB<br>(reg. no. 556423-3657) |               |               |              |               |         |
| Gothenburg                                 | 3,468         | 226           | 40%          | 500           |         |
| ContainerCare A/S<br>(reg. no. 21093637)   |               |               |              |               |         |
| Copenhagen                                 | 13,288        | 2,151         | 40%          | DKK 6,500     |         |

The financial year for the two associated companies covers the period 1/10 2001 – 30/9 2002.

Profit for 2002 therefore refers to this period and equity was calculated at 30/9 2002.

CMP AB's share of profits in the two companies amounted to SEK 958,000. The profit share contains goodwill depreciation totalling SEK 1,680,000, after which the total profit share from the ContainerCare company amounted to SEK -722,000.

### NOTE 6 BALANCE-SHEET ALLOCATIONS AND UNTAXED RESERVES

| SEK 1,000 | 2002 | 2001 |
|-----------|------|------|
|-----------|------|------|

#### Balance-sheet allocations

|   |              |              |
|---|--------------|--------------|
| Difference between planned depreciation and depreciation permitted for tax purposes | 8,599        | 2,300        |
| <b>Total balance-sheet allocations</b>  | <b>8,599</b> | <b>2,300</b> |

#### Untaxed reserves

|                               |               |              |
|-------------------------------|---------------|--------------|
| Accumulated excess write-offs | 10,899        | 2,300        |
| <b>Total untaxed reserves</b> | <b>10,899</b> | <b>2,300</b> |

### NOTE 7 MAJOR ACCRUAL AND DEFERRAL ITEMS

| SEK 1,000 | 2002 | 2001 |
|-----------|------|------|
|-----------|------|------|

#### Accrued costs and prepaid income

|   |               |               |
|---|---------------|---------------|
| Accrued pay, holiday pay and social costs     | 37,428        | 38,791        |
| Estimated payroll tax                         | 1,397         | 1,225         |
| Accrued discounts                             | 15,198        | 11,498        |
| Miscellaneous                                 | 1,459         | 3,254         |
| <b>Total accrued costs and prepaid income</b> | <b>55,482</b> | <b>54,768</b> |

**Note 8 Equity**

| SEK 1,000                      | Share capital  | Premium fund  | Reserve fund | Exchange-rate difference | Free Equity  | Total          |
|--------------------------------|----------------|---------------|--------------|--------------------------|--------------|----------------|
| Opening amount                 | 100,000        | 20,000        | 8            | 1,775                    | 3,720        | 125,503        |
| Reserve fund provision         |                |               | 380          |                          | -380         |                |
| Exchange-rate difference       |                |               |              | -3,056                   |              | -3,056         |
| Result for the year            |                |               |              |                          | 2,113        | 2,113          |
| <b>Amount at end of period</b> | <b>100,000</b> | <b>20,000</b> | <b>388</b>   | <b>-1,281</b>            | <b>5,453</b> | <b>124,560</b> |

The company's share capital consists of 200,000 shares with a nominal value of SEK 500 each.

**NOTE 9 CREDIT ON CURRENT ACCOUNT**

CMP has a DKK 25,000,000 credit facility with Danske Bank. On the day the books closed, no use had been made of this facility.

Malmö, 10 March 2003

Henning Hummelose  
Chairman

Bengt Madsen  
Vice-chairman

Christina Wessling

Percy Liedholm

Åke Svensson

Peter Maskell

Niels Bach

Kaj Schmidt

Mats Andersson  
Employee representative

Bertil Serlstedt  
Employee representative

Søren Nyegaard  
Employee representative

Alfred Voldum  
Employee representative

Lars Karlsson  
Managing director

DELOITTE & TOUCHE  
Torbjörn Svensson  
Chartered accountant

**Auditor's statement**

To the shareholders' meeting of Copenhagen Malmö Port AB

Company Reg. no. 556027-4077

We have examined the annual report and book-keeping and the management reports of the board of directors and managing director of Copenhagen Malmö Port AB for fiscal year 2002-01-01 – 2002-12-31. The board and managing director are responsible for accounting procedures and management. Our responsibility is to give our opinion of the annual report and management on the basis of our audit.

The audit has been carried out in accordance with best Swedish auditing practice. This means that we have planned and executed the audit in order to satisfy ourselves to a reasonable degree that the annual report contains no significant errors. An audit involves studying a selection of the bases for transactions and other book-keeping items. An audit also involves studying the accountancy principles used and their use by the board and managing director, and an assessment of all the information in the annual report. As a basis for our statement on exemption from liability, we have examined significant decisions, measures and circumstances in order to assess whether any director or the managing director has liability to the company. We have also examined whether any director or the managing director has otherwise acted in contravention of company law, the law on annual accounts or the law on company operations. We believe that our audit provides us with reasonable grounds for the following statement:

The annual report has been drawn up in accordance with the law on annual reports and gives an accurate picture of the company's results and status in accordance with good Swedish accountancy practice.

We recommend that the shareholders' meeting accept the profit-and-loss account and balance sheet, distribute the profit in accordance with the proposal in the management report and grant the board of directors and the managing director exemption from liability for the fiscal year.

Malmö 10/3 2003

Torbjörn Svensson  
Chartered accountant

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