



2005 year-end financial report

16 February 2006

Profit increase and future initiatives

Green Cargo's income for 2005 reached EUR 14,5 million (4) after net financial items, i.e., growth of EUR 10 million compared to 2004. With stable finances as a foundation, Green Cargo is now launching an investment programme that targets future operations and is developing international transports with Deutsche Bahn.

Since its start, quality enhancement has been Green Cargo's top priority.

"Improved punctuality and safety laid the groundwork for our strong development," says Jan Sundling, Green Cargo's CEO. "Green Cargo's success story is used in Europe when the topics of profitability and quality are being discussed. Our customers and employees can be proud of the results we achieved."

The entire Green Cargo group contributed to the fine bottom line. Increased efficiency and a changed mix within its customer and contract portfolio led to parent company improvements. Total, overall results improved for subsidiaries and associated companies –primarily because of CargoNet's positive growth and discontinuation of unprofitable operations.

In parallel with Green Cargo's demonstration that money can be made within railroad logistics, the competition has also come with investors that have invested in new operators – competition that Sundling welcomes:

"We'll be even better, and we will compete through increased co-operation between rail and road transports," says Sundling. "With Deutsche Bahn, we'll develop international freight transport. Scandinavian business and industry will benefit because of increased choices and more efficient transports."

2005 summary:

- In January, hurricane Gudrun hit southern Sweden. Through fast, comprehensive measures, Green Cargo created opportunities for afflicted forest owners to get good transport solutions for the storm-felled timber.
- On 12 October, Green Cargo signed a partnership agreement with Deutsche Bahn. The agreement covers streamlining and quality improvements for transports between Scandinavia and the rest of the continent.
- The owner injected EUR 63,6 million into the company; this formed the foundation for an EUR 0,4 billion investment programme that will be implemented up to 2011.
- Absenteeism due to illness dropped for the fourth consecutive year; it stood at 6% in 2005.
- The railroad operation's accident-related costs fell about 50% since Green Cargo was launched in 2001.
- Alcohol locks were installed in all lorries; the locks are now being tested in locomotives.
- All lorry drivers and a group of drivers that operate diesel locomotives were trained to drive in an environmentally friendly way; this demonstrated that diesel fuel consumption can be cut by about 15%.
- Initiatives in Logistics' big warehouses cut electricity consumption by nearly 20%.

You can download the entire **2005 year-end financial report** from www.greencargo.com.

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Green Cargo is a transport and logistics company with rail transport as its base. The company is responsible for 75% of freight transport by rail in Sweden. Green Cargo offers transports marked with the Good Environmental Choice eco-label from the Swedish Society for Nature Conservation. The Swedish state owns the Green Cargo Group, which employs about 3150 people and turns over about SEK 5.9 billion annually. Subsidiaries: TGOJ Trafik AB, NTR AB, and Green Cargo Road & Logistics A/S (Denmark). Green Cargo owns 67% of Hallsbergs Terminal AB and 45% of CargoNet.