

INTERIM REPORT  
1 JANUARY – 30 JUNE 2010

|   | 2nd quarter |       | 6 months |       | Full year |
|---|-------------|-------|----------|-------|-----------|
|   | 2010        | 2009  | 2010     | 2009  | 2009      |
| Net turnover,<br>SEK million            | 132.7       | 162.5 | 240.0    | 340.8 | 599.3     |
| Result after tax,<br>SEK million        | 20.9        | 23.5  | 43.8     | 23.9  | -81.1     |
| Result per share<br>after tax, SEK      | 0.44        | 0.49  | 0.92     | 0.50  | -1.70     |
| EBITDA,<br>USD million                  | 7.7         | 5.5   | 14.8     | 11.4  | 21.0      |
| Available liquid<br>funds*, SEK million | 709.7       | 532.7 | 709.7    | 532.7 | 536.0     |

\* Including unutilised credit facilities

- **Forecast for 2010 unchanged: A result before tax of USD 9.5 million (approx. SEK 70.0 million)**
- **Continued satisfactory available liquid funds, SEK 709.7 million**
- **Continuing weak market**

This information is provided in accordance with the Swedish Securities Exchange and Clearing Operations Act and/or the Financial Instruments Trading Act. The information was made public on 18 August 2010 at about 8:00 a.m.



# THIS IS CONCORDIA MARITIME

Concordia Maritime is an international tanker shipping company, which develops, builds, mans and charters vessels to customers with exacting demands on transport economy, flexibility and safety. The company's focus is on cost-effective and safe transportation of refined petroleum products such as petrol, diesel fuel and aviation fuel.

Concordia Maritime was established in 1984 and its Series B share is listed on the NASDAQ OMX Nordic Exchange in Stockholm. Its head office is located in Gothenburg, Sweden.

## BUSINESS CONCEPT

To provide the customers with safe and cost-efficient tanker transportation based on innovation and performance.

## VISION

To be the customers' first choice for safe, innovative and efficient tanker transportation, which will result in good profitability, steady growth and financial stability.

## OUR CUSTOMERS

The customers include some of the world's largest oil and energy companies. Customer relations are characterised by partnership, cooperation and a long-term perspective.

## OUR COOPERATION PARTNERS

Concordia Maritime conducts its business activities in close cooperation with several companies in the Stena Sphere. This means that the company's business activities can be conducted cost-effectively at the same time as its customers have access to the Stena Sphere's knowledge base.

## WHAT WE TRANSPORT

The change in business activities implemented in recent years has resulted in a shift in focus from the transportation of crude oil to the transportation of refined petroleum products. The 12 tankers ordered and delivered in the last few years, as well as in the process of being delivered, are all designed primarily to transport refined petroleum products such as petrol, diesel fuel and aviation fuel.

## FINANCIAL OBJECTIVES

**Growth** At least 10% per year, while maintaining profitability

**Profitability** Return on equity of at least 12%

**Equity ratio** At least 50% over a business cycle



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# PRESIDENT'S VIEWS

**During the second quarter, Concordia Maritime's business activities continued to develop according to plan. Turnover amounted to SEK 132.7 (162.5) million with an EBITDA of SEK 58.1 (44.0) million.**

## Comments on the result

The tanker market during the second quarter continued to be weak. Freight rates in the product tanker segment were lower than during the first quarter. The large-tanker market was stronger during the year but weakened somewhat during the second quarter.

Concordia Maritime's product tanker fleet is signed to long-term charters, which means that despite the market situation, we are doing well. The freight rates in these charters continued to be far higher than on the open market. The trend of the turnover and result is in line with our forecast.

## Charter of Suezmax tanker

During the quarter, a 12-month charter of a Suezmax tanker was entered into with Concordia Maritime and Stena Bulk each participating with 50 per cent.

The freight rate is USD 23,000 per day and the tanker is employed on the open market in the Stena Sonangol Suezmax Pool. Since its delivery in May, the tanker has generated a surplus.

## Future prospects

The market situation is, generally speaking, challenging. Concordia Maritime is in a good position with all its product tanker fleet signed to long-term charters. This means that we have secured our cash flows for some years to come.

Our business activities are affected by the demand for transportation of oil, which, in turn, is closely linked to the global demand for oil. The demand for oil is rising and is expected to rise still further in 2010 and 2011 when it will likely be back at the same level as before the sharp drop in 2008/2009.

The world tanker fleet will continue to grow considerably in 2010 and 2011 and it is calculated that the increase in demand will only partially be able to absorb this tonnage surplus. Accordingly, we expect market conditions to be weak in 2010 and at least during most of 2011. There have been very few orders for newbuildings in the product tanker segment, which in the long term is good for the balance between supply and demand, which is a prerequisite of a stronger market.

## Forecast for 2010

Our assessment is that in the financial year 2010, Concordia Maritime will achieve a result before tax of approx. USD 9.5 million, corresponding to approx. SEK 70 million.



## Key ratios

|  | 6 months |       | Full year |
|--|----------|-------|-----------|
|  | 2010     | 2009  | 2009      |
| Result before tax, SEK million   | 43.8     | 23.9  | -81.1     |
| EBITDA, SEK million  | 109.3    | 93.2  | 160.8     |
| Available liquid funds including unutilised credit facilities, SEK million | 709.7    | 532.7 | 536.0     |
| Result per share after tax, SEK  | 0.92     | 0.50  | -1.70     |
| EBITDA per share, SEK  | 2.29     | 1.95  | 3.37      |
| Dividend per share, SEK  | 1.00     | 1.00  | 1.00      |
| Equity per share, including dividend, SEK                                  | 38.48    | 39.41 | 37.47     |
| Equity ratio, %  | 50       | 55    | 53        |
| Equity growth, including dividend, %                                       | 5        | -4    | -9        |
| Return on equity, including dividend, %                                    | 5        | 3     | -4        |

# BUSINESS ACTIVITIES

**Business activities in the second quarter proceeded according to plan. All the vessels in the fleet performed well and generated revenues far exceeding the freight rates on the spot market. With the exception of the chartered Suezmax tanker, all the vessels in the fleet are signed to long-term charter contracts.**

## Product tankers

During the period, Concordia Maritime's product tanker fleet consisted of eight wholly owned P-MAX tankers and two part-owned Panamax tankers. All the vessels were signed to charters of between three and ten years on delivery. The P-MAX tankers operate in different geographical markets all over the world, transporting both light (e.g. petrol) and heavy petroleum products (e.g. heavy oil) as well as crude oil.

The two Panamax tankers *Palva* and *Stena Poseidon*, which are owned by Concordia Maritime via a joint venture with Neste Shipping, continued to sail for Neste Oil in transatlantic traffic.

## Result for the period

The segment reports an EBITDA of USD 8.2 (6.1) million for the second quarter of 2010.

## Large tankers

During the second quarter, the large-tanker segment consisted of the Suezmax tanker *Yasa Scorpion*, which has been chartered together with Stena Bulk. The charter runs for one year, until May 2011.

After it has been delivered in the second quarter of 2012, the *Stena Supreme*, which was ordered in the first quarter of 2010, will operate in this segment.

## Result for the period

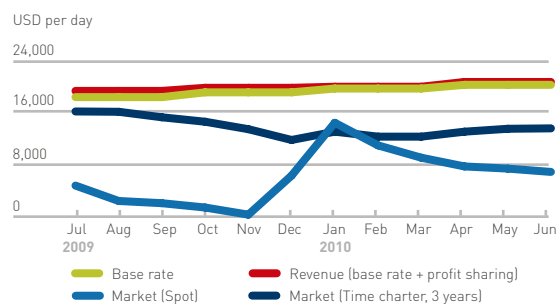
The segment reports an EBITDA of USD 0.1 (–0.1) million for the second quarter of 2010.

## Newbuilding program

Concordia Maritime's newbuilding program is proceeding according to plan. The remaining two product tankers in the program will be delivered in the fourth quarter of 2010 and the first quarter of 2011, respectively. The Suezmax tanker ordered during the first quarter will be delivered in the second quarter of 2012.

## The product fleet's average freight rate per vessel and day

All the vessels in the fleet are signed to long-term charter contracts. The graph illustrates the trend of the spot market, the base hire for Concordia Maritime's product tanker fleet and the actual freight rates. The figures for the fleet are based on full employment, i.e. the base hire for the fleet is adjusted downwards to reflect any off hire.

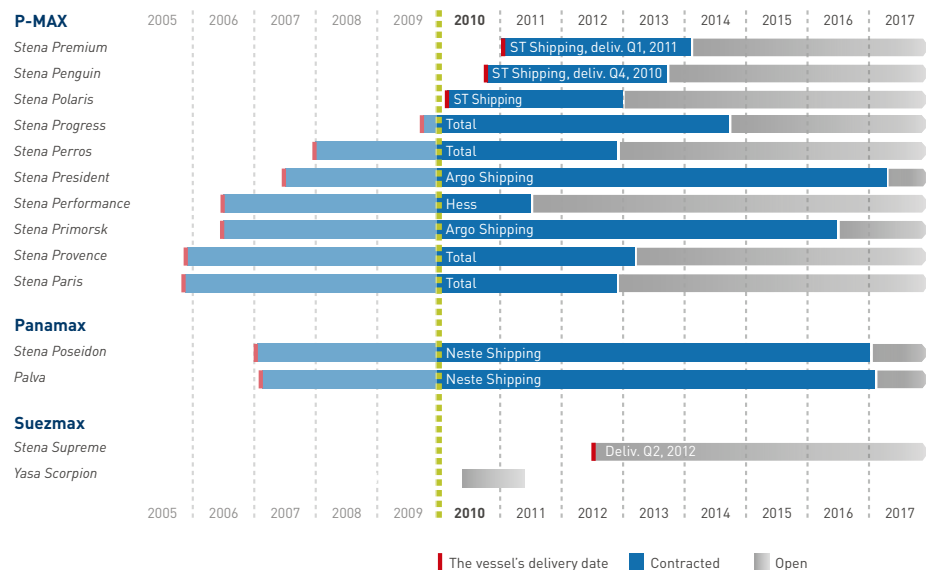


IFRS 8 regarding operating segments has been applied as of 1 January 2009. IFRS 8 is a disclosure standard that defines what an operating segment is. The transition has not resulted in any changes; the same operating segment is presented as previously and it is based on the parts of the business that the board follows up: Product tankers and Large tankers. In the Product tanker segment, the P-MAX tankers and the Panamax tankers have been merged as they have similar economic attributes. This section contains a short description of the segments, what is included and the economic trend during the period.



## CLOSE CUSTOMER RELATIONS AND LONG-TERM CHARTER CONTRACTS

Concordia Maritime's strategy is based on long-term charter contracts. All the vessels in the fleet are currently signed to long-term charters, which provide financial stability thus making possible long-term investments.



### Segment reporting, Q2, 2010

| SEK million                      | Product tanker | Large tanker | Others       | Total          |
|----------------------------------|----------------|--------------|--------------|----------------|
| Turnover <sup>1)</sup>           | 235.3          | 4.7          |              | 240.0          |
| Costs <sup>2)</sup>              | -110.2         | -4.1         |              | -114.3         |
| Distribution of OH <sup>3)</sup> | -8.7           | -0.7         | -7.0         | -16.4          |
| <b>EBITDA</b>                    | <b>116.4</b>   | <b>-0.1</b>  | <b>-7.0</b>  | <b>109.3</b>   |
| <b>Assets</b>                    | <b>3,472.5</b> | <b>117.4</b> | <b>101.9</b> | <b>3,691.8</b> |

1) Approx. 1,5 per cent of the accumulated turnover in the product tanker segment is related to profit-sharing clauses.

2) The company reports depreciation of periodic maintenance (dry-docking) as operating costs related to ships. For 2010, these costs amounted to SEK 4,5 million. For more information, see the annual report for 2009.

3) The distribution of the portion of personnel costs and other external costs not directly related to ship operation, so-called overhead costs.

### Revenues by geographical segment

| SEK million           | 2nd quarter  |              |
|-----------------------|--------------|--------------|
|                       | 2010         | 2009         |
| USA                   | 30.0         | 33.2         |
| France                | 99.7         | 75.7         |
| Rest of world         | 110.3        | 231.9        |
| <b>Total revenues</b> | <b>240.0</b> | <b>340.8</b> |

# THE MARKET

**The market continued to be weak during the second quarter of 2010. In the MR segment, freight rates were lower compared with the previous quarter while they remained relatively unchanged in the Suezmax segment.**

## How the freight market developed

Second quarter, 2010

### Product tanker market (MR)

The average freight rates on the spot market during the quarter were around USD 8,000 per day, the same as in the corresponding period in 2009 but about 35 per cent lower than in the first quarter of 2010. On the time-charter market, 3-year charter contracts were signed at levels of around USD 14,000 per day at the end of the period.

### Large tanker market (Suezmax)

The trend in the Suezmax segment was volatile. In May, the freight rates on the spot market rose sharply but subsequently fell again. The average freight rates on the spot market during the quarter were around USD 32,000 per day, about 60 per cent higher than the average for 2009.

### How the shipbuilding market and the world fleet developed

During the quarter, the price of a newly built standard MR tanker remained unchanged at about USD 36 million. In the Suezmax segment, prices were in the region of USD 65 million, an increase of about 5 per cent compared with the previous quarter.

## Quarterly summary

First quarter, 2010

### Product tanker market (MR)

The average freight rates on the spot market during the quarter were around USD 9,000 per day, about 30 per cent lower compared with the corresponding period in 2009. On the

time-charter market, 3-year charter contracts were signed at levels of around USD 14,000 per day at the end of the period, also substantially lower than in 2009.

### Large tanker market (Suezmax)

After a sharp downturn in 2009, the market recorded a strong recovery in the first quarter of 2010, driven in part by a rising demand for crude oil. The average freight rates on the spot market during the quarter were around USD 35,000 per day, about 35 per cent higher than the average for 2009.

## Fourth quarter, 2009

### Product tanker market (MR)

The average freight rate on the spot market during the quarter was around USD 8,000 per day, which can be compared with freight rates of around USD 25,000 per day during the same period in 2008. On the time-charter market, 3-year charter contracts were signed at levels of around USD 11,000 per day, about 50 per cent lower than in 2008.

## Third quarter, 2009

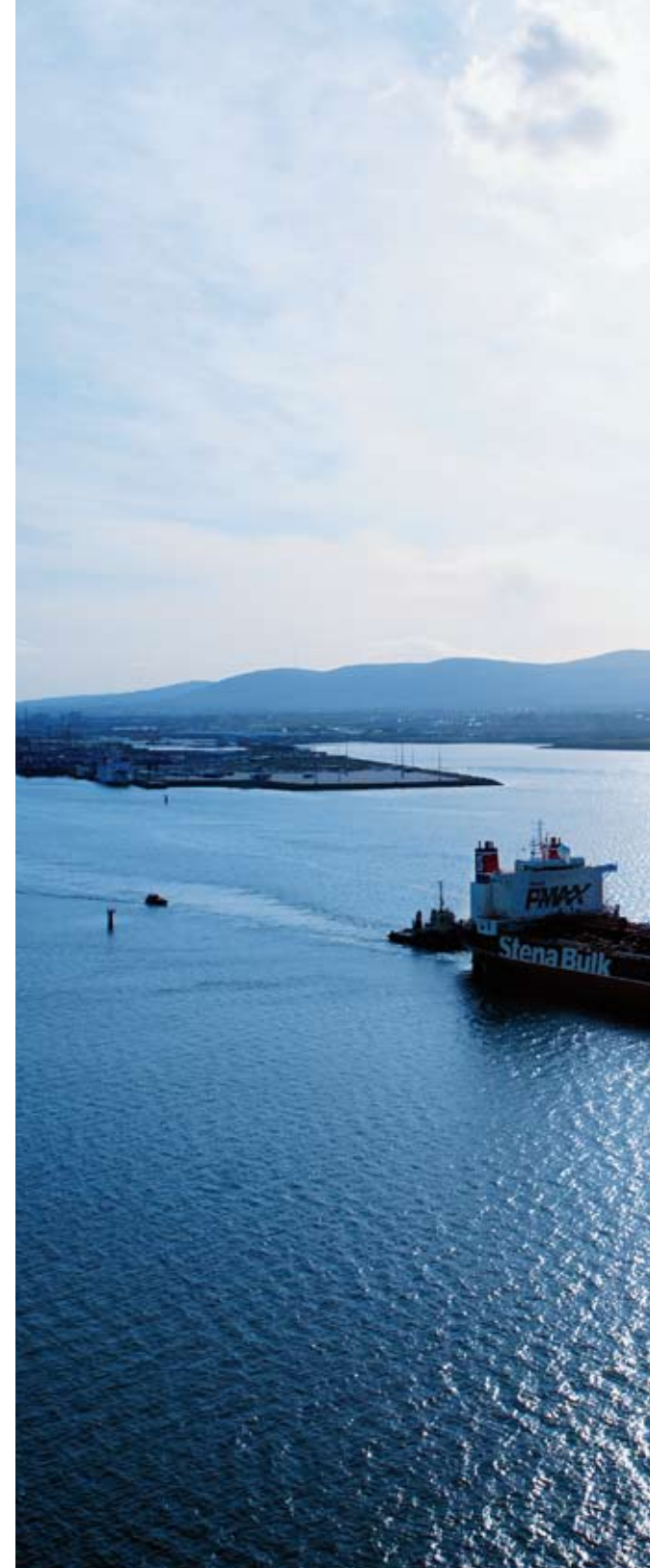
### Product tanker market (MR)

The average freight rate on the spot market during the quarter was around USD 4,500 per day, which can be compared with freight rates of around USD 28,000 per day during the same period in 2008. On the time-charter market, 3-year charter contracts were signed at levels of around USD 13,500 per day, about 40 per cent lower than in 2008.

## Second quarter, 2009

### Product tanker market (MR)

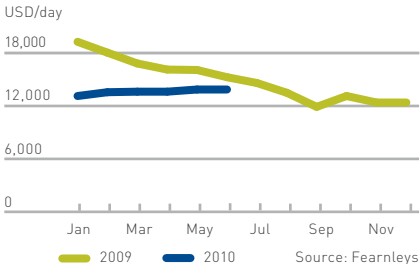
During the quarter, freight rates in the product tanker segment fell to new record-low levels, averaging just over USD 5,000 per day, which can be compared with freight rates of around USD 20,000 per day during the same period in 2008. On the time-charter market, 3-year charter contracts were signed for about USD 16,000 per day.



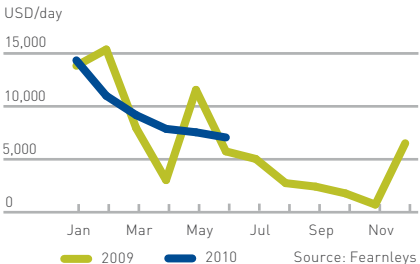


The freight rates on both the spot and the time-charter market continued to be at very low levels during the quarter.

**Market trend, time charter – MR**

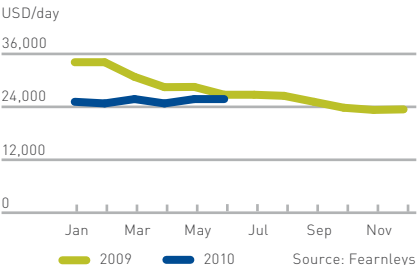


**Market trend, spot – MR**

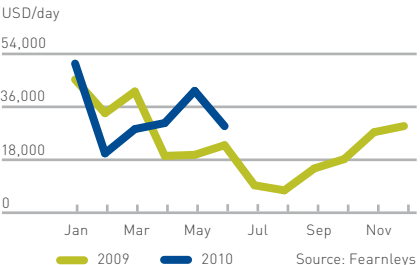


In the more volatile Suezmax segment, the freight rates were much higher than during the previous year.

**Market trend, time charter – Suezmax**

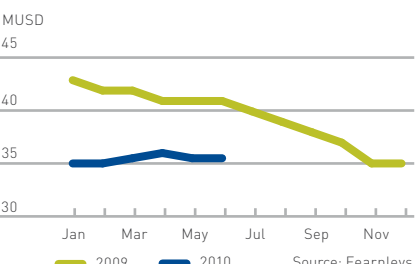


**Market trend, spot – Suezmax**

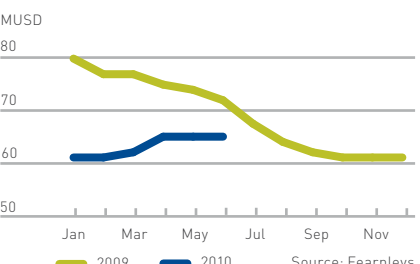


During the quarter, the prices of new tankers remained, in principle, unchanged in the MR segment and were somewhat higher in the Suezmax segment. It can be noted that the number of newbuilding orders during the first half of the year 2010 increased sharply.

**Newbuilding prices, Product tanker (MR)**



**Newbuilding prices – Suezmax**



All the graphs on this page show the average value per month.

# FINANCIAL SUMMARY

## Turnover and result

Second quarter, 2010

Turnover during the second quarter amounted to SEK 132.7 (162.5) million. The result after financial items was SEK 19.5 (27.5) million. The result after tax was SEK 20.9 (23.5) million, which corresponds to a result per share of SEK 0.44 (0.49).

The lower turnover compared with the same quarter in 2009 is mainly due to the redelivery of the two VLCCs *Stena Victory* and *Stena Vision* at the end of 2009. However, this is compensated for to some degree by a stronger US dollar, which also has a positive effect on the result.

## January–June 2010

Turnover during the first six months of the year amounted to SEK 240.0 (340.8) million. The result after financial items was SEK 40.2 (25.4) million. The result after tax was SEK 43.8 (23.9) million, which corresponds to a result per share of SEK 0.92 (0.49) after tax.

The turnover and earnings trend is in line with the forecast. At mid year the market value of the fleet exceeded the book value by around 10 per cent.

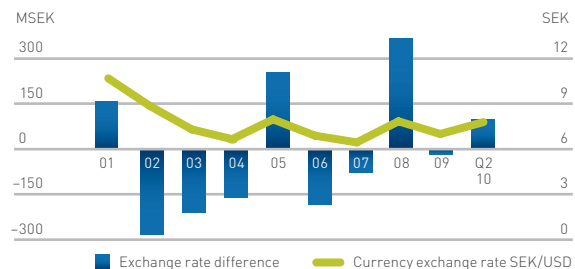
## Equity

Equity per share is SEK 38.48 (39.41). The group's equity is denominated in US dollars and increased during the second quarter due to the SEK/USD exchange rate having risen from 7.20 at the beginning of the quarter to 7.75 at the end of the period. The increase has been countered by the parent company's equity hedge, which generated a deficit of SEK –48.9 (33.4) million.

Totally, equity has increased during the first six months by SEK 93.5 (66.4) million, corresponding to SEK 1.96 (1.39) per share. The accumulated exchange rate differences, including the effects of hedging, recorded directly to equity, amount to SEK 208.3 (195.5) million. The changes are reported in equity via "Total Comprehensive Income".

## Exchange rate difference recorded in other total comprehensive income

As a result of the change in the SEK/USD exchange rate in 2010, the company's profit in SEK has changed although in USD it remains unchanged. Read more in the section Changes in translation and hedging reserves about how the company protects itself from exchange rate and interest rate fluctuations.





## FINANCIAL SUMMARY (CONT.)

### Changes in translation and hedging reserves

The Group's functional currency is the US dollar, i.e. the majority of the income and costs as well as the balance sheet are nominally in USD. The company's result is generated in USD, which means that the result in SEK is a direct function of the trend of the SEK/USD exchange rate. In February 2009, Concordia Maritime re-entered into a so-called equity hedge amounting to about 50 per cent of the equity in its foreign subsidiaries, corresponding to USD 125 million. This equity hedge resulted in a negative result of SEK 48.9 million after tax during the second quarter of 2010, which is recorded in "Total Comprehensive Income".

In conjunction with the order for four P-MAX tankers, a cash flow hedge, USD against EUR, was entered into for future payments to the shipyard. The realised result is reported as "Ships under Construction". The changes in value of existing contracts are recorded directly to equity under "Hedge Reserve" via "Total Comprehensive Income".

The change in value during the quarter, including exchange rate changes, amounts to SEK 6.5 (5.5) million.

In 2009, the company entered into additional interest hedges corresponding to USD 100 million in order to protect itself against interest fluctuations. At the end of the second quarter 2010, the interest hedges amounted to a total of USD 140 million. These interest hedges are structured in such a way as to cover about 60 per cent of anticipated future borrowing within existing credit facilities and expire in 2015. At the end of the second quarter, these contracts were valued at SEK -30.1 (21.5) million, which is recorded to equity under "Hedge Reserve" via "Total Comprehensive Income". On 30-06-2010, the hedge reserve amounted to SEK -34.2 (33.0) million.

### Liquidity and financial position

The Group's disposable liquid funds, including unutilised credit facilities, amounted to SEK 709.7 (532.7) million on 30 06 2010. Interest-bearing liabilities during the period increased from SEK 1,458.5 million to SEK 1,688.1 million. On the accounting date, equity amounted to SEK 1,836.8 (1,881.2) million and the equity ratio was 50 (55) per cent.

### Investments

Investments during the period amounted to SEK -25.1 (-150.0) million and are related to deliveries of ships, advance payments and project costs.

### Seasonal variations

The fact that Concordia Maritime's vessels are chartered out on long-term contracts counteracts the seasonal variations that otherwise characterise tanker shipping.

### Employees and option programs

On 31-12-2009, the Group had 234 (175) employees, including 229 (170) seagoing employees. There are no option programs.

### Investments

For accounting purposes, Concordia Maritime's investments of excess liquidity are divided into two categories: investments "to be held until maturity" and investments "held for trading". The first category consists mainly of corporate bonds. Here, excess liquidity has been invested in a portfolio with a due-date structure that corresponds well with the investment program. These securities provide a return of 7-8 per cent (also called purchase yield). The nominal and

market values of the different bond holdings are shown in the table on the right.

Other holdings (primarily mutual funds) are valued at their market value on each accounting date and their value at the end of the period amounted to SEK 22.5 (32.5) million.

### Parent company

The Parent company's turnover totalled SEK 1.8 (31.5) million. Intergroup invoicing accounted for SEK 0.0 (0.0) million of this amount. The result after financial items was SEK -98.0 (123.5) million. The Parent company's available liquid funds, including unutilised credit facilities, amounted to SEK 1,918.1 (694.0) million.

### Other events

At the annual general meeting for the fiscal year 2009 it was decided, in accordance with a proposal presented earlier, that the dividend distributed to the shareholders would be SEK 1.00 (1.00) per share.

### Bond holdings

| Holding (MUSD) | Nominal value | Book value | Market value |
|----------------|---------------|------------|--------------|
| DDI Holding    | 13.4          | 11.9       | 12.8         |



## OTHER INFORMATION

### Related company transactions

Concordia Maritime has a small organisation and purchases services from companies in the Stena Sphere, including Stena Bulk, which conducts similar tanker business. Accordingly, there is an agreement, which regulates the relationship between the two companies with respect to new business. According to the terms of this agreement, Concordia Maritime has the right to choose whether it wishes to participate 0 per cent, 50 per cent or 100 per cent in the deal in question. Concordia Maritime purchases services on a regular basis from the the Stena Sphere in the following areas:

- Vessel charter. Payment is based on a commission of 1.25 per cent on freight rates.
- Commission on the purchase and sale of vessels. Payment is based on a commission of 1 per cent.
- Operation and manning of the Group's vessels, so-called ship management. Payment is based on a fixed price per year and vessel.
- Purchases of bunker oil. Payment is based on a fixed commission per ton purchased.
- Administration, marketing, insurance, technical follow-up and development of Concordia Maritime's fleet. Payment is based on a fixed price per month and vessel. In the case of technical consulting services for newbuilding projects, an hourly rate is charged on current account, which is then charged to the project.
- Office rent and office services. A fixed price per year is charged.

All related company transactions take place on commercial terms and at market-related prices.



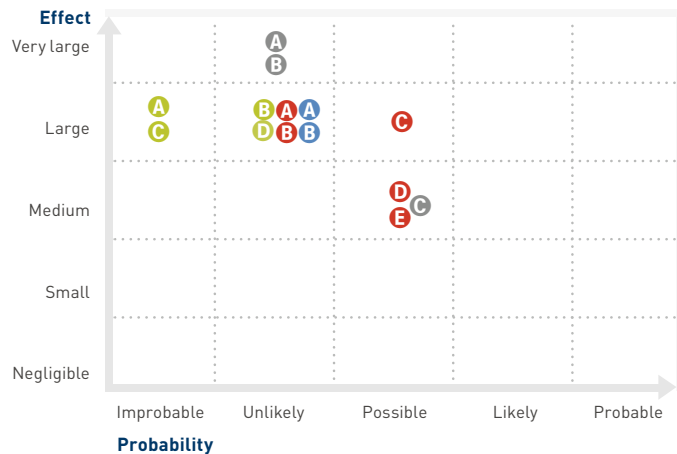
## OTHER INFORMATION (CONT.)

### Risks and uncertainty factors

Concordia Maritime is exposed to a number of different risks. The foremost market-related risks that affect Concordia Maritime include the general economic climate, freight rates, the price of oil and political factors. Risks related to operational activities include ship management and insurance questions and employees. Additionally, Concordia Maritime is also exposed to credit and financial risks.

The management and board work actively to both minimise risk exposure and minimise the consequences and effects if a risk should nevertheless arise. Please refer to the annual report of 2009 for further information.

For the sake of clarity, the risks are presented in the format below. Please note, however, that the description does not claim to be complete or exact since the risks and their degree vary over time.



|                                | Type of risk   | Effect (1–5) | Probability (1–5) | Risk strategy  |
|--------------------------------|--|--------------|-------------------|--|
| <b>1. Corporate risks</b>      | <b>A</b> Brand                                       | 4 (4)        | 1 (1)             | Quality at every stage. Far-reaching preventive work. A leader in safety.  |
|                                | <b>B</b> Employees                                   | 4 (3)        | 2 (2)             | Close collaboration with several companies in the Stena Sphere.  |
|                                | <b>C</b> Liquidity                                   | 4 (4)        | 1 (1)             | Stable cash flows as a result of long-term charters. Good bank connections.                                      |
|                                | <b>D</b> Financing risk                              | 4 (4)        | 2 (2)             | Stable cash flows, high liquidity and equity ratio, and good bank connections.                                   |
| <b>2. Market-related risks</b> | <b>A</b> Economic trends                             | 4 (4)        | 2 (3)             | Customer relations to a large extent based on long-term charters.  |
|                                | <b>B</b> Freight rates                               | 4 (4)        | 3 (4)             | Customer relations to a large extent based on long-term charters.  |
|                                | <b>C</b> Oil price                                   | 4 (2)        | 3 (5)             | The customer pays the cost of bunker oil.  |
|                                | <b>D</b> Political risk                              | 3 (2)        | 3 (2)             | A market leader when it comes to safety and environmental work.  |
|                                | <b>E</b> War and instability                         | 3 (2)        | 3 (2)             | The chosen contract strategy in combination with continuous business intelligence.                               |
| <b>3. Operational risks</b>    | <b>A</b> Ship management and insurance issues        | 5 (5)        | 2 (2)             | Continuous maintenance work in combination with comprehensive insurance cover.                                   |
|                                | <b>B</b> Environment                                 | 5 (5)        | 2 (1)             | Continuous work on preventive measures.  |
|                                | <b>C</b> Higher personnel costs                      | 3 (3)        | 3 (3)             | Economic incentives in combination with a positive work environment and the possibility of long-term employment. |
| <b>4. Credit risks</b>         | <b>A</b> Counterparty risks – customer               | 4 (3)        | 2 (2)             | Financially stable customers. Close long-term collaboration.   |
|                                | <b>B</b> Counterparty risks – shipyards and partners | 4 (2)        | 2 (3)             | Financially strong players. Bank guarantees and penalty clauses.   |

# SUEZMAX COMPLEMENTS PRODUCT TANKER FLEET

In March, 2010, Concordia Maritime ordered a new Suezmax tanker from Samsung Heavy Industries in South Korea with delivery set for the second quarter of 2012. This tanker, which will be named *Stena Supreme*, is part of a series of six units designed by Stena Bulk and developed by Stena Teknik. During its development, the focus was on energy efficiency. The vessel's technical equipment and design will enable fuel consumption to be reduced by up to 10–15 per cent compared with existing standard tonnage.

The total investment amounts to just under SEK 500 million, the greater portion of which will be paid on delivery. The intention is to employ the tanker in the open market.

“This order fits in well with Concordia Maritime’s strategy and will be an interesting complement to our involvement in the product tanker market. The transport pattern for crude oil is changing, resulting in, among other things, longer transport distances. In this context, the Suezmax size is more flexible than e.g. VLCCs”, says Hans Norén, President of Concordia Maritime.

In addition to this order, Concordia Maritime is participating with 50 per cent of Stena Bulk’s charter of a newly built Suezmax tanker. This charter will expire in May, 2011. The tanker will be employed on the open market in the Stena Sonangol Suezmax Pool.



|                   |               |
|-------------------|---------------|
| <b>Name</b>       | Stena Supreme |
| <b>Length</b>     | 274.0 metres  |
| <b>Breadth</b>    | 48.0 metres   |
| <b>Draft</b>      | 17.0 metres   |
| <b>Deadweight</b> | 158,700 tons  |

## GROUP

# INCOME STATEMENT, TOTAL COMPREHENSIVE INCOME AND PER-SHARE DATA

| SEK million  | 2nd quarter 2010 | 2nd quarter 2009 | 6 months 2010 | 6 months 2009 | Full year 2009 |
|--|------------------|------------------|---------------|---------------|----------------|
| <b>Group income statement</b>                            |                  |                  |               |               |                |
| Average exchange rate SEK/USD                            | 7.58             | 7.93             | 7.39          | 8.17          | 7.65           |
| Net sales  | 132.7            | 162.5            | 240.0         | 340.8         | 599.3          |
| <b>Total income</b>                                      | <b>132.7</b>     | <b>162.5</b>     | <b>240.0</b>  | <b>340.8</b>  | <b>599.3</b>   |
| Operating costs, ships                                   | -42.0            | -88.2            | -64.0         | -189.1        | -315.5         |
| Seagoing personnel costs                                 | -22.7            | -21.8            | -49.2         | -41.3         | -86.5          |
| Other external costs                                     | -7.5             | -6.4             | -12.4         | -12.7         | -27.7          |
| Personnel costs  | -2.4             | -2.1             | -5.1          | -4.5          | -8.8           |
| Depreciation   | -31.4            | -22.7            | -58.2         | -46.7         | -93.0          |
| <b>Total operating costs</b>                             | <b>-106.0</b>    | <b>-141.2</b>    | <b>-188.9</b> | <b>-294.3</b> | <b>-531.5</b>  |
| <b>Operating result</b>                                  | <b>26.7</b>      | <b>21.3</b>      | <b>51.1</b>   | <b>46.5</b>   | <b>67.8</b>    |
| Dividend   |                  | 4.9              |               | 11.4          | 18.8           |
| Interest income and similar items                        | 3.0              | 4.6              | 8.1           | 9.5           | 15.0           |
| Interest expenses and similar items                      | -9.8             | -7.2             | -18.6         | -50.3         | -205.2         |
| Exchange rate differences                                | -0.4             | 3.9              | -0.4          | 8.3           | 12.6           |
| <b>Financial net</b>                                     | <b>-7.2</b>      | <b>6.2</b>       | <b>-10.9</b>  | <b>-21.1</b>  | <b>-158.8</b>  |
| <b>Result after financial net</b>                        | <b>19.5</b>      | <b>27.5</b>      | <b>40.2</b>   | <b>25.4</b>   | <b>-91.0</b>   |
| Tax  | 1.4              | -4.0             | 3.6           | -1.5          | 9.9            |
| <b>Net result after tax</b>                              | <b>20.9</b>      | <b>23.5</b>      | <b>43.8</b>   | <b>23.9</b>   | <b>-81.1</b>   |
| <b>Consolidated report on total comprehensive income</b> |                  |                  |               |               |                |
| Result for the period                                    | 20.9             | 23.5             | 43.8          | 23.9          | -81.1          |
| Exchange differences, net after tax                      | 137.4            | -109.2           | 150.3         | -22.5         | -177.7         |
| Equity hedge, net after tax                              | -48.9            | 33.4             | -56.8         | 88.9          | 163.4          |
| Financial assets available for sale                      |                  | 45.5             |               | -144.5        | -25.6          |
| Cash flow hedges, currency related                       | 6.5              | 5.5              | 1.3           | -16.7         | -30.9          |
| Cash flow hedges, interest related                       | -30.1            | 21.5             | -42.4         | 32.8          | 20.9           |
| <b>Total comprehensive income</b>                        | <b>85.8</b>      | <b>20.2</b>      | <b>96.2</b>   | <b>-38.1</b>  | <b>-131.0</b>  |
| <b>Per-share data, SEK</b>                               |                  |                  |               |               |                |
| Shares at end of period                                  | 47,729,798       | 47,729,798       | 47,729,798    | 47,729,798    | 47,729,798     |
| Result per share before/after dilution                   | 0.44             | 0.49             | 0.92          | 0.50          | -1.70          |
| Equity per share   | 38.48            | 39.41            | 38.48         | 39.41         | 37.47          |

## GROUP

# SUMMARY OF BALANCE SHEET

| SEK million                         | 30 June 2010   | 30 June 2009   | 31 Dec 2009    |
|-------------------------------------|----------------|----------------|----------------|
| Closing exchange rate SEK/USD       | 7.75           | 7.73           | 7.15           |
| <b>Assets</b>                       |                |                |                |
| Ships and equipment                 | 2,903.0        | 2,016.6        | 2,265.0        |
| Ships under construction            | 494.9          | 735.8          | 619.0          |
| Financial assets                    | 101.5          | 321.0          | 141.0          |
| <b>Total fixed assets</b>           | <b>3,499.4</b> | <b>3,073.4</b> | <b>3,025.0</b> |
| Current receivables                 | 90.4           | 239.3          | 226.8          |
| Short term investment               | 22.5           | 32.5           | 37.1           |
| Cash and bank balances              | 79.5           | 75.4           | 82.5           |
| <b>Total current assets</b>         | <b>192.4</b>   | <b>347.2</b>   | <b>346.4</b>   |
| <b>Total assets</b>                 | <b>3,691.8</b> | <b>3,420.6</b> | <b>3,371.4</b> |
| <b>Equity and liabilities</b>       |                |                |                |
| Equity                              | 1,836.8        | 1,881.2        | 1,788.3        |
| Long term liabilities               | 1,676.8        | 1,360.2        | 1,462.3        |
| Short term provisions               |                | 14.0           |                |
| Short term liabilities              | 178.2          | 165.2          | 118.9          |
| Credit facility                     |                |                | 1.9            |
| <b>Total equity and liabilities</b> | <b>3,691.8</b> | <b>3,420.6</b> | <b>3,371.4</b> |



## GROUP

# SUMMARY OF CASH FLOW ANALYSIS

| SEK million  | 2nd quarter 2010 | 2nd quarter 2009 | 6 months 2010 | 6 months 2009 | Full year 2009 |
|--|------------------|------------------|---------------|---------------|----------------|
| <b>Cash flow from operations</b>   |                  |                  |               |               |                |
| Result after financial net   | 19.5             | 27.5             | 40.2          | 25.4          | -91.0          |
| Adjustment items:  |                  |                  |               |               |                |
| Depreciation   | 33.6             | 25.2             | 62.7          | 52.5          | 110.7          |
| Result, sale of financial assets   | 0.0              |                  |               |               | 169.2          |
| Other items  | 0.0              | 4.1              |               | 26.9          | 0.7            |
| <b>Cash flow from operating activities before changes in working capital</b> | <b>53.1</b>      | <b>48.6</b>      | <b>102.9</b>  | <b>104.8</b>  | <b>189.6</b>   |
| Change in working capital  | 12.4             | 18.1             | 106.6         | -23.9         | 36.1           |
| <b>Cash flow provided by operating activities</b>                            | <b>65.5</b>      | <b>66.7</b>      | <b>209.5</b>  | <b>80.9</b>   | <b>225.7</b>   |
| <b>Cash flow from investing activities</b>                                   |                  |                  |               |               |                |
| Ships under construction   | -25.1            | -150.0           | -323.1        | -249.0        | -655.8         |
| Investments in financial assets  |                  |                  |               | -0.4          | -0.8           |
| Sale of financial assets   | -0.1             | 38.9             | 53.2          | 276.6         | 346.0          |
| <b>Cash flow provided by investing activities</b>                            | <b>-25.2</b>     | <b>-111.1</b>    | <b>-269.9</b> | <b>27.2</b>   | <b>-310.6</b>  |
| <b>Cash flow from financing activities</b>                                   |                  |                  |               |               |                |
| New loan   | 65.2             | 112.4            | 286.9         | 112.4         | 458.5          |
| Amortization of credit facility  | -33.5            | -58.2            | -180.5        | -129.7        | -270.2         |
| Dividend   | -47.7            | -47.7            | -47.7         | -47.7         | -47.7          |
| Other financing  | 0.0              |                  |               |               |                |
| <b>Cash flow provided by financing activities</b>                            | <b>-16.0</b>     | <b>-6.5</b>      | <b>58.7</b>   | <b>-65.0</b>  | <b>140.6</b>   |
| Cash flow for period   | 24.3             | 37.9             | -1.7          | 43.1          | 55.7           |
| Balance at beginning of period (Note 1)                                      | 50.5             | 108.9            | 82.5          | 31.3          | 31.3           |
| Exchange rate (Note 2)   | 4.8              | 4.4              | -1.2          | 1.0           | -4.5           |
| Balance at end of period (Note 1)  | 79.5             | 75.4             | 79.5          | 75.4          | 82.5           |
| Note 1. Balance consists of cash, bank balances and credit facility          |                  |                  |               |               |                |
| Note 2. Exchange rate difference relate to:                                  |                  |                  |               |               |                |
| Balance at the beginning of year   | 4.4              | -1.8             | -1.0          | 0.9           | -2.6           |
| Cash flow for the period   | 0.4              | 2.6              | -0.2          | 0.1           | -1.9           |
|  | <b>4.8</b>       | <b>4.4</b>       | <b>-1.2</b>   | <b>1.0</b>    | <b>-4.5</b>    |



## GROUP CHANGES IN EQUITY

| SEK million                       | Share capital | Other capital contributed | Translation reserve | Hedging reserve | Fair value reserve | Non-restricted equity | Total          |
|-----------------------------------|---------------|---------------------------|---------------------|-----------------|--------------------|-----------------------|----------------|
| <b>Changes Jan–Jun 2010</b>       |               |                           |                     |                 |                    |                       |                |
| Opening balance 01-01-2010        | 381.8         | 61.9                      | 114.8               | 6.9             | 0.0                | 1,222.9               | 1,788.3        |
| Total comprehensive income        |               |                           | 5.0                 | -17.5           | 0.0                | 22.9                  | 10.4           |
| Dividend to shareholders          |               |                           |                     |                 |                    |                       | 0.0            |
| <b>Closing balance 30-06-2010</b> | <b>381.8</b>  | <b>61.9</b>               | <b>119.8</b>        | <b>-10.6</b>    | <b>0.0</b>         | <b>1,245.8</b>        | <b>1,798.7</b> |
| <b>Changes Jan–Jun 2009</b>       |               |                           |                     |                 |                    |                       |                |
| Opening balance 01-01-2009        | 381.8         | 61.9                      | 129.1               | 16.9            | 25.6               | 1,351.7               | 1,967.0        |
| Total comprehensive income        |               |                           | 142.2               | -10.9           | -190.0             | 0.4                   | -58.3          |
| Dividend to shareholders          |               |                           |                     |                 |                    |                       |                |
| <b>Closing balance 30-06-2010</b> | <b>381.8</b>  | <b>61.9</b>               | <b>271.3</b>        | <b>6.0</b>      | <b>-164.4</b>      | <b>1,352.1</b>        | <b>1,908.7</b> |





# QUARTERLY OVERVIEW

|  | SEK million                          | 2nd quarter 2010        | 1st quarter 2010 | 4th quarter 2009 | 3d quarter 2009 | 2nd quarter 2009 | 1st quarter 2009 | 4th quarter 2008 | 3d quarter 2008 |
|--|--------------------------------------|-------------------------|------------------|------------------|-----------------|------------------|------------------|------------------|-----------------|
| <b>Profit/loss items</b>                   | Net sales                            | 132.7                   | 107.3            | 111.2            | 147.3           | 162.5            | 178.3            | 168.1            | 134.2           |
|  | Operating costs                      | -106.0                  | -82.9            | -94.4            | -142.8          | -141.2           | -153.1           | -140             | -111.6          |
|  | Operating result (EBIT)              | 26.7                    | 24.4             | 16.8             | 4.5             | 21.3             | 25.2             | 28.1             | 22.6            |
|  | - of which profit/loss on ship sales |                         |                  |                  |                 |                  |                  |                  |                 |
|  | Financial net                        | -7.2                    | -3.7             | 1.8              | -139.5          | 6.2              | -27.3            | 0.8              | -10.2           |
|  | Result after financial items         | 19.5                    | 20.7             | 18.6             | -135            | 27.5             | -2.1             | 28.9             | 12.4            |
|  | Result after tax                     | 20.9                    | 22.9             | 30.2             | -135.2          | 23.5             | 0.4              | 40               | 16.5            |
|  | Cash flow from operating activities  | 53.1                    | 49.8             | 44.1             | 40.7            | 48.6             | 56.2             | 70.4             | 50.1            |
|  | EBITDA                               | 58.1                    | 51.2             | 41.8             | 25.8            | 44               | 49.2             | 50.5             | 40.9            |
|  | <b>Balance-sheet items</b>           | Ships (number of ships) | 2,903.0 (9)      | 2,730.5 (9)      | 2,265 (8)       | 2,233.3 (8)      | 2,016.6 (7)      | 2,162.8 (7)      | 2,059.8 (7)     |
| Ships under construction (number of ships) |                                      | 494.9 (3)               | 442.1 (3)        | 619 (3)          | 493.7 (3)       | 735.8 (4)        | 646.3 (4)        | 536.3 (4)        | 366.9 (4)       |
| Liquid funds incl. investments             |                                      | 101.5                   | 88.1             | 119.6            | 134.2           | 107.9            | 182.2            | 769.6            | 463             |
| Other assets                               |                                      | 192.4                   | 176.9            | 376.8            | 442.2           | 560.3            | 426.9            | 120.8            | 325.7           |
| Interest-bearing liabilities               |                                      | 1,688.1                 | 1,535.60         | 1,458.5          | 1,369.5         | 1,373.2          | 1,353.1          | 1,369.3          | 1,109.1         |
| Other liabilities and provisions           |                                      | 166.9                   | 103.3            | 124.6            | 186.5           | 166.2            | 156.3            | 150.2            | 246.8           |
| Equity                                     |                                      | 1,836.8                 | 1,798.70         | 1,788.3          | 1,747.9         | 1,881.2          | 1,908.7          | 1 967            | 1,645.1         |
| Total assets                               |                                      | 3,691.8                 | 3,437.60         | 3,371.4          | 3,303.9         | 3,420.6          | 3,418.1          | 3,486.5          | 3 001           |
| <b>Key ratios, %</b>                       | Equity ratio                         | 50                      | 52               | 53               | 53              | 55               | 56               | 56               | 55              |
|  | Return on total capital              | 3                       | 3                | 3                | 3               | 5                | 5                | 3                | 3               |
|  | Return on capital employed           | 3                       | 4                | 3                | 3               | 5                | 5                | 3                | 3               |
|  | Return on equity                     | 5                       | 5                | -4               | -8              | 3                | 0                | 5                | 3               |
|  | Operating margin                     | 20                      | 23               | 15               | 3               | 14               | 14               | 17               | 17              |
| <b>Share data</b>                          | Net sales                            | 2.78                    | 2.25             | 2.33             | 3.09            | 3.4              | 3.74             | 3.52             | 2.81            |
|  | Operating costs                      | -2.22                   | -1.74            | -1.98            | -2.99           | -2.96            | -3.21            | -2.93            | -2.34           |
|  | Operating result                     | 0.56                    | 0.51             | 0.35             | 0.09            | 0.45             | 0.53             | 0.59             | 0.47            |
|  | Financial net                        | -0.15                   | -0.08            | 0.04             | -2.92           | 0.13             | -0.57            | 0.02             | -0.21           |
|  | Result after tax                     | 0.44                    | 0.48             | 0.63             | -2.83           | 0.49             | 0.01             | 0.84             | 0.35            |
|  | Cash flow from operating activities  | 1.11                    | 1.04             | 0.92             | 0.85            | 1.02             | 1.18             | 1.47             | 1.05            |
|  | EBITDA                               | 1.22                    | 1.07             | 0.88             | 0.54            | 0.92             | 1.03             | 1.06             | 0.86            |
|  | Equity                               | 38.48                   | 37.69            | 37.47            | 36.62           | 39.41            | 39.99            | 41.21            | 34.47           |

Please note that there has been no dilution effect since 2002.

Definitions: see page 18

## PARENT COMPANY

# INCOME STATEMENT AND BALANCE SHEET

| SEK million                                     | 6 months 2010 | 6 months 2009 |
|---|---------------|---------------|
| Net sales                                       | 1.8           | 31.5          |
| Ships operating costs                           | -1.4          | -9.6          |
| Seagoing personnel costs                        |               | -9.8          |
| Other external costs                            | -7.3          | -7.1          |
| Personnel costs                                 | -3.9          | -3.8          |
| Depreciation                                    |               | -9.3          |
| <b>Total operating result</b>                   | <b>-10.8</b>  | <b>-8.1</b>   |
| Interest income and similar profit/loss items   | 14.0          | 154.7         |
| Interest expenses and similar profit/loss items | -101.2        | -23.1         |
| <b>Financial net</b>                            | <b>-98.0</b>  | <b>123.5</b>  |
| Tax   | 24.5          | -34.2         |
| <b>Net result after tax</b>                     | <b>-73.5</b>  | <b>89.3</b>   |

| SEK million                         | 30 Jun 2010    | 30 Jun 2009    |
|-------------------------------------|----------------|----------------|
| <b>Assets</b>                       |                |                |
| Ships and equipment                 | 0,1            | 412,2          |
| Financial assets                    | 57,6           | 76,7           |
| Shares in group companies           | 745,8          | 745,8          |
| <b>Total fixed assets</b>           | <b>803,5</b>   | <b>1 234,7</b> |
| Current receivables                 | 119,1          | 305,0          |
| Short term investments              | 20,3           | 30,3           |
| Cash and bank balances              | 1 287,9        | 234,9          |
| <b>Total current assets</b>         | <b>1 427,3</b> | <b>570,2</b>   |
| <b>Total assets</b>                 | <b>2 230,8</b> | <b>1 804,9</b> |
| <b>Equity and liabilities</b>       |                |                |
| Equity                              | 550,4          | 641,6          |
| Long term liabilities               | 1 437,8        | 1 095,9        |
| Short term liabilities              | 242,6          | 67,4           |
| <b>Total equity and liabilities</b> | <b>2 230,8</b> | <b>1 804,9</b> |

## DEFINITIONS

**Cash flow from operating activities** Result after net financial items plus depreciation minus tax paid (cash flow before change in working capital and investments and before effect of ship sales).

**Return on total capital** Result after net financial items plus financial expenses as a percentage of average balance sheet total.

**Return on capital employed** Result after net financial expenses as a percentage of average capital employed. Capital employed refers to the balance sheet total minus non interest-bearing liabilities, including deferred tax liability.

**Return on equity** Result for the year expressed as a percentage of average equity.

**Equity ratio** Equity expressed as a percentage of the balance sheet total.

The Concordia Maritime group applies the International Financial Reporting Standards (IFRS), which have been approved by the EU Commission. The Group applies the same accounting principles and calculation methods in its interim reports as in the annual report for 2009 in addition to what is stated in this report.

The Group's Interim Report has been drawn up in accordance with IAS 34. The report for the Parent Company has been drawn up in accordance with the Swedish Annual Accounts Act and RFR 2.2.

This report presents a fair overview of the operations, financial position, and performance of the Parent Company and the Group and describes the essential risks and uncertainty factors faced by the Company and the Group.

This report has not been reviewed by the company's auditors.

Gothenburg, 18 August 2010  
Concordia Maritime AB (publ)

Stefan Brocker

Bert Åke Eriksson

Mats Jansson

C. Mikael von Mentzer  
*Deputy Chairman*

Morten Chr. Mo

Hans Norén  
*President*

Dan Sten Olsson  
*Chairman*

Jens Ole Hansen

Jörgen Lorén

For further information concerning this interim report, please phone:

Hans Norén, President, +46 704 855101 or  
Göran Hermansson, CFO, +46 704 855046

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#### Reports and information

|                                  |                  |
|----------------------------------|------------------|
| Interim Report, Q3<br>3d quarter | 27 October 2010  |
| Final Accounts 2010              | 22 February 2011 |

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#### IR contacts

Hans Norén, President  
+46 (0)31 855101 or  
+46 (0)704 855101  
hans.noren@  
concordia-maritime.se



Göran Hermansson,  
Chief Financial Officer  
+46 (0)31 855046 or  
+46 (0)704 855046  
goran.hermansson@  
concordia-maritime.se



The 9-month interim report will be published on 27 October 2010. Historical and current reports, together with news and comments on the Company and the tanker markets, can be found on our web site [www.concordia-maritime.se](http://www.concordia-maritime.se)

