

# YEAR-END REPORT

1 JANUARY–31 DECEMBER 2011

- Profitability despite weak markets
- Continuing good available liquidity of SEK 625.4 (698.0) million
- The Board proposes to the AGM a dividend of SEK 1.00 (1.00)

	Quarter 4 (Oct-Dec)		Full year	
	2011	2010	2011	2010
Net sales, SEK mill.	<b>138.0</b>	145.5	<b>559.6</b>	513.4
Result after tax, SEK mill.	<b>25.9</b>	18.9	<b>84.8</b>	80.4
Result per share, SEK	<b>0.54</b>	0.40	<b>1.78</b>	1.68
EBITDA, USD mill.	<b>9.1</b>	8.3	<b>37.3</b>	30.5
Available liquid funds <sup>1)</sup> , SEK mill.	<b>625.4</b>	698.0	<b>625.4</b>	698.0

1) Including unutilised available credit facilities.

## PRESIDENT HANS NORÉN PRESENTS THE REPORT



By scanning in the QR code on the left, you can watch Hans Norén present the Q4 report on your mobile. Read more about QR codes and how they are used on the last page.



# CONCORDIA MARITIME IN 60 SECONDS

Concordia Maritime is an international tanker shipping company. Our focus is on cost-effective and safe transportation of refined petroleum products and vegetable oils. The company's B shares were admitted to trading on Nasdaq OMX Stockholm in 1984.

## OUR BUSINESS CONCEPT

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

## OUR VISION

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

## OUR STRATEGY

- To continue to develop our position as a partner of choice in the transportation of oil and petroleum products.
- To continue to identify the market's need for efficient transportation and thereafter to develop vessels and logistics solutions based on transport economy, flexibility and a well-developed safety and environmental philosophy.
- To continue to utilise our strong financial position to do business with the right timing.
- To continue to take advantage of the unique competence existing within the Stena Sphere with respect to market know-how, shipbuilding and ship operation.

## OUR CUSTOMERS

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

## WHAT WE TRANSPORT

Our main focus is on the transportation of refined petroleum products such as gasoline, diesel and jet fuel. As a complement to this focus, we are also active in the transportation of crude oil.

## OUR BUSINESS MODEL

Our business and income model consists of providing vessels to customers in need of safe and cost-efficient transportation of oil and petroleum products. Income is generated mainly by chartering out vessels (spot or time charters), profit-sharing clauses in charters and the sale of ships.

## FINANCIAL OBJECTIVES

**GROWTH >10%**

per year while maintaining profitability

**PROFITABILITY >12%**

return on equity

**EQUITY RATIO >50%**

over a business cycle

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# PRESIDENT'S VIEWS

**Result before tax for the full year amounted to SEK 76.3 million, which is in line with our forecast. Cash flow from operations, EBITDA, amounted to USD 37.3 million. Against the backcloth of very weak markets for tanker shipping in general, this was a relatively good year for Concordia Maritime. The earnings level on our fixed contracts was just over USD 20,000 per day, which is considerably higher than current market levels.**

The vessels have performed well and we have not encountered any accidents or other incidents. We took redelivery of two vessels from long-term contracts during the year and they are now employed in the open market. The two vessels have also been upgraded to enable them to transport vegetable oils (IMO III classification).

## Fourth quarter

The scheduled drydock, conversion to IMO III and the required positioning journeys had a negative impact on fleet income during the fourth quarter.

The loss in operating income during the quarter was largely offset by an insurance payment arising from damage to one of our former V-MAX-type VLCC vessels.

Result after tax amounted to SEK 25.9 (18.9) million, while EBITDA was USD 9.1 (8.3) million.

## Future prospects

The imbalance between supply and demand continues in all tanker shipping segments. In the product tanker segment, growth in the fleet has slowed considerably, and many parameters relating to demand now appear positive. The expansion of refinery capacity in Asia and the increase in oil trade

in South America and Africa are examples of factors that are creating new dynamics in transport flows. All in all, this leads us to expect a gradual improvement from the existing freight levels during 2012 and 2013.

## Forecast

Our business is undergoing a change. Most of the vessels in the fleet are currently signed to charters, with relatively predictable earnings and cash flows. As the contracts expire and the ships start to be employed on the open market instead, the market's overall development will have a greater impact on our earnings and cash flow.

We currently operate two vessels on the open market and two more will be redelivered to us in the fourth quarter of 2012.

Although we expect the market to strengthen during the year, we do not believe that freight rates will reach our average time charter rates, which are approx. USD 20,000 per day.

About 75 percent of the fleet's total number of income days are still covered by contracts. However, given the fact that we have more vessels on the open market than in 2011, we expect a reduction in income and therefore a lower profit for 2012. We do not provide a forecast in absolute numbers.



## Key ratios

	Quarter 4		Full year	
	2011	2010	2011	2010
Result after tax, SEK mill.	25.9	18.9	84.8	80.4
EBITDA, SEK mill.	61.2	56.0	242.6	219.5
Available liquid funds, including unutilised credit facilities, SEK mill.	625.4	698.0	625.4	698.0
Result per share after tax, SEK	0.54	0.40	1.78	1.68
EBITDA per share, SEK	1.28	1.17	5.08	4.60
Dividend per share, SEK			1.00	1.00
Equity per share, including dividend, SEK	37.24	35.94	37.24	35.94
Equity ratio, %	47	50	47	50
Equity growth, including dividend, %	4	-4	4	-4
Return on equity, including dividend, %	5	5	5	5



# BUSINESS ACTIVITIES

During the period, 10 of the fleet's 12 vessels were signed to charters. Current charter coverage means that freight rates are well in excess of those on the spot market.

## P-MAX

Eight of the ten P-MAX vessels are currently employed on fixed contracts, while two, *Stena Performance* and *Stena Provence*, have been employed on the open market since July 2011.

The chartering is managed by Stena Weco.

During the fourth quarter, *Stena Provence* was converted to allow transportation of vegetable oils. The vessel has also been positioned to adapt to Stena Weco's cargo system. The positioning journey and conversion resulted in a loss of income corresponding to 55 days, which has negatively affected the fourth quarter results.

## Panamax

During the fourth quarter, the two panamax tankers *Stena Poseidon* and *Palva*, which are owned in a joint venture with Neste Shipping, underwent compulsory five-year checks, including drydock. However, the vessels were drydocked in China, which resulted in a loss of income. This also had an adverse effect on the results for the fourth quarter.

## Newbuilding program

The suezmax tanker which was ordered in early 2010 is expected to be taken into operation in July 2012.

## Other

The insurance case concerning the damage to *Stena Victory* in 2009 was completed during the fourth quarter. The compensation received exceeded the expected amount, which made a positive contribution of USD 1.9 million to results and EBITDA.

## Fleet value

At the end of 2011, the book value of the fleet was approx. USD 75 million higher than the market value. Market value is defined as the average of three independent broker valuations based on immediate delivery to the open market. This means that the valuation does not take into account any existing time charters. In accordance with IFRS, the contract portfolio and expected future cash flows have been used to value the fleet. This is calculated basis earnings of 19,000 USD per day for the non-contracted days for the vessels' remaining economic life. This method justifies the fleet's carrying amount and consequently there was no impairment at the end of 2011.

## EBITDA per quarter

USD millions	Q4 2011	Q3 2011	Q2 2011	Q1 2011	Q4 2010	Q3 2010	Q2 2010	Q1 2010
P-MAX, timecharter	8.8 <sup>1)</sup>	11.2 <sup>3)</sup>	8.3	8.8	8.6	8.1	7.6	6.9
P-MAX, spot	-0.8	-0.5						
Panamax	0.8	1.2	1.4	1.2	1.2	0.7	1.2	1.3
Aframax			0.0	0.0	0.1			
Suezmax			0.0	0.0	-0.2	0.1	0.1	
Admin. and others	0.2 <sup>4)</sup>	-1.0	-1.2	-1.1	-1.4	-1.5	-1.2	-1.1
<b>Total<sup>2)</sup></b>	<b>9.0</b>	<b>10.9</b>	<b>8.5</b>	<b>8.9</b>	<b>8.3</b>	<b>7.4</b>	<b>7.7</b>	<b>7.1</b>

- 1) 0% of accumulated income is attributable to profit sharing.
- 2) The company reports depreciation of dry dock as an operating cost. This amounts to SEK 18.8 million for 2011.
- 3) Includes one-time payment of USD 2.3 million for redelivery of *Stena Provence*.
- 4) Includes one-time item of USD 1.9 million on conclusion of insurance case relating to V-MAX tanker.

## VESSEL TYPES

### CRUDE OIL TANKERS

**VLCC** Very Large Crude Carrier  
DWT 200,000–320,000



**Suezmax\***  
DWT 120,000–165,000



**Aframax** DWT 80,000–120,000



### PRODUCT TANKERS

**Panamax**  
DWT 55,000–75,000



**P-MAX (Product-MAX)**  
DWT 65,200



**Medium Range (MR)**  
DWT approx. 40,000–50,000



**Handysize**  
DWT 25,000–40,000



■ We are active here as at 31 December 2011.

\* We were active in the suezmax segment until the end of May 2011. We shall be active in the segment again from Q3 2012.

## TYPES OF CONTRACT

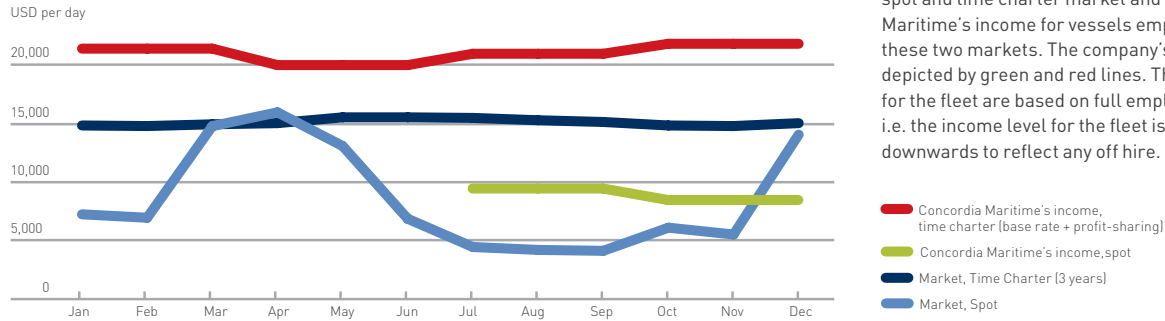
### Spot market (open market)

Where a ship is contracted for each individual voyage.

### Time charter

The hire of a ship for a specified period at a fixed freight rate.

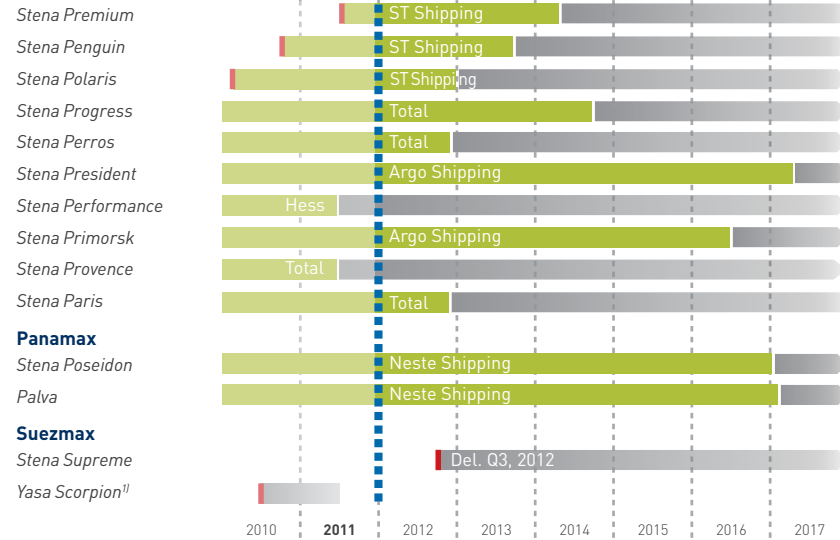
### Product fleet's average freight rate per vessel and day



The chart illustrates development of the spot and time charter market and Concordia Maritime's income for vessels employed in these two markets. The company's income is depicted by green and red lines. The figures for the fleet are based on full employment, i.e. the income level for the fleet is adjusted downwards to reflect any off hire.

### Contract portfolio

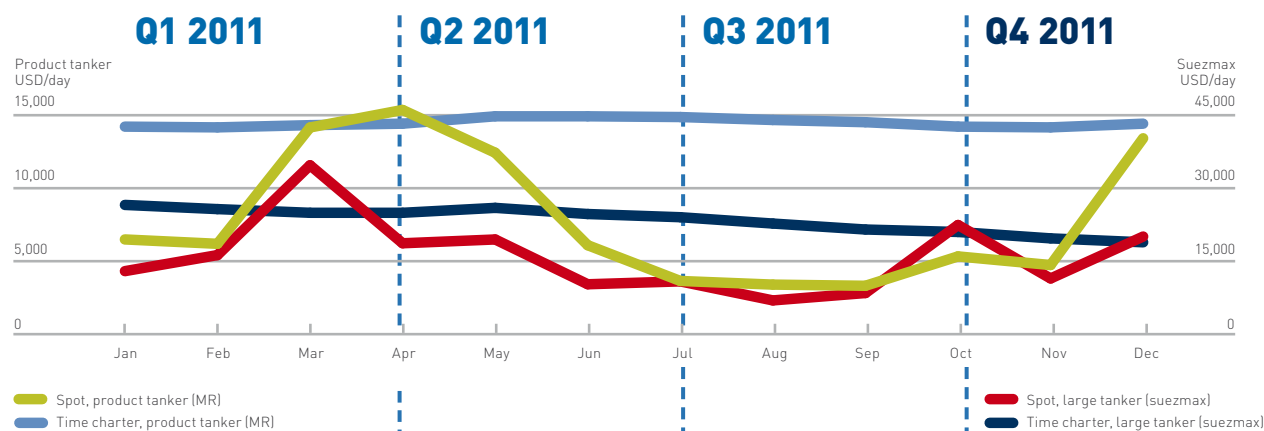
#### P-MAX



For 2012, approx. 75% of the fleet is covered by time chartering. As the chart shows, almost 50% of the fleet will be employed via time charters in 2013.



# FREIGHT MARKET DEVELOPMENT



## MR (PRODUCT TANKER)

Average spot rates were approx. USD 9,000/day. At the end of the quarter, the income levels were approx. USD 15,000/day. In the time-charter market, 3-year charter contracts at rates of approx. USD 15,000/day were in place at the end of the period.

Spot rates in the MR segment fell sharply towards the end of the quarter, ending the period on an average of approx. USD 11,000/day. In the time-charter market, 3-year charter contracts at rates of approx. USD 15,000/day were in place at the end of the period.

Spot rates in the MR segment fell. Average spot rates were approx. USD 3,500/day. In the time-charter market, 3-year charter contracts at rates of approx. USD 14,500/day were in place at the end of the period.

Spot rates in the MR segment rose sharply. Average spot rates were approx. USD 8,000/day. In the time-charter market, 3-year charter contracts at rates of approx. USD 14,500/day were in place at the end of the period.

## SUEZMAX

Spot rates were relatively unchanged, with average spot rates of approx. USD 25,000/day. The time-charter market also remained stable, and three-year charter contracts at rates of approx. USD 25,000/day were in place at the end of the period.

Spot rates for suezmax tankers also fell sharply, with average spot rates of approx. USD 11,000/day. The time-charter market remained stable, and three-year charter contracts at rates of approx. USD 25,000/day were in place at the end of the period.

Spot rates for suezmax tankers also fell. Average rates were approx. USD 8,000/day. The time-charter market remained stable and three-year charter contracts at rates of approx. USD 22,000/day were in place at the end of the period.

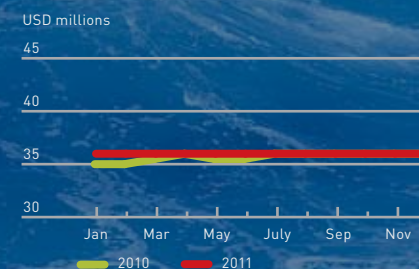
Rates for suezmax tankers also rose sharply. Average rates were approx. USD 18,000/day. In the time-charter market, 3-year charter contracts at rates of approx. USD 20,000/day were in place at the end of the period.

The chart shows the average value per month on a strictly round trip basis. Concordia Maritime will be active in the suezmax segment again from the third quarter of 2012.

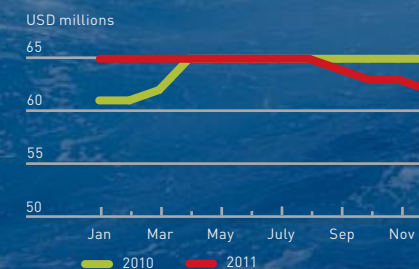
Source: Fearnleys

## NEWBUILDING PRICES

### Newbuilding prices – MR (product tanker)



### Newbuilding prices – suezmax



### Stable newbuilding prices

Newbuilding prices for ships remained relatively stable during the year, including in the fourth quarter. The price of a newly built standard MR tanker was approx. USD 36 million at the end of the period, while in the suezmax segment, prices were in the region of USD 62 million.

The graphs show the average value per month. Source: Fearnleys



# FINANCIAL SUMMARY

## Equity

Equity per share was SEK 37.24 (35.94). The Group's equity, which is denominated in US dollars, increased during 2011. This was due to the exchange rate having strengthened from SEK/USD 6.73 at the beginning of the year to SEK/USD 6.87 at the end of the year. This was partly offset by the parent company's equity hedge which generated a result of SEK -6.8 (46.3) million.

## Changes in translation and hedging reserves

The parent company's functional currency is SEK, although the majority of the transactions in the Group are in USD. The Group's result is generated in USD, which means the result in SEK is a direct function of the SEK/USD exchange rate trend. In February 2009, Concordia Maritime re-entered into an equity hedge amounting to approx. 50 percent of the equity in its foreign subsidiaries, corresponding to USD 125 million. The equity hedge generated a result after tax of SEK -6.8 (46.3) million, corresponding to SEK -0.14 (0.97) per share, during 2011, which is recognised in OCI (other comprehensive income).

Accumulated exchange differences including the effects of

forward contracts, which are recognised in equity, amounted to SEK 83.6 (49.1) million. The changes are recognised in equity through OCI. In connection with the order of four P-MAX tankers, a USD-EUR cash flow hedge was entered into for future payments to the shipyard. Now that the last vessel has been delivered, the gain of SEK 0.4 (-3.3) million is reported under Ships and equipment.

The company has entered into interest hedges totalling USD 140 million in order to protect itself against interest fluctuations. They are structured in such a way as to cover approx. 60 percent of anticipated future borrowing within existing credit facilities and expire in 2015. At the end of the fourth quarter, the value of these contracts was SEK -47.6 (-37.4) million, which is recognised in the Hedging reserve through OCI.

In the fourth quarter, the company hedged financial investments in NOK to USD, in order to make them currency-neutral. The forward exchange contracts are recognised in the Hedging reserve through OCI. At the end of the fourth quarter, the value of these contracts was SEK 1.0 (0.0) million.

At the end of the period, the total hedging reserve stood at SEK -46.6 (-37.8) million.

## Group's sales and earnings

SEK millions	Quarter 4		Full year	
	2011	2010	2011	2010
Net sales	138.0	145.5	559.6	513.4
Result after financial net	19.3	17.9	76.3	76.9
Result after tax	25.9	18.9	84.8	80.4
Result per share after tax	0.54	0.40	1.78	1.68

## Liquidity and financial position

SEK millions	31 Dec 2011	31 Dec 2010
Available liquid funds <sup>1)</sup>	625.4	698.0
Interest-bearing liabilities	1,815.4	1,596.1
Equity	1,777.6	1,715.4
Equity ratio, %	47	50

<sup>1)</sup> Includes unutilised available credit facilities.



## FINANCIAL SUMMARY CONT'D

### Investments

Investments during 2011 amounted to SEK 330.1 (638.6) million and related to deliveries of ships, advance payments and project costs.

### Seasonal variations

The fact that all Concordia Maritime's vessels apart from two are chartered out counteracts the seasonal variations that otherwise characterise tanker shipping.

### Employees and option programs

The number of employees in the Group at 31/12/2011 was 380, 374 of whom were seagoing employees. There are no option programs in place.

### Financial investments

Part of the company's bond portfolio was sold during the first quarter. As a result, the bond portfolio is classified as "for sale" and is recognised at its market value in OCI. Other holdings (primarily funds) are measured at market value at each reporting date and are also recognised in OCI.

The bond portfolio was increased during the fourth quarter

and its value at the end of the year was USD 15.2 million. In addition to the holding in DDI Holding, the portfolio included bonds in Teekay Offshore, Rabobank and Norska Eksportfinans at the end of 2011.

It is the intention to increase the portfolio value to approx. USD 20 million in the first quarter of 2012. The idea is to invest excess liquidity with a reasonable level of risk and return. Since the beginning of 2012, bonds have been acquired in Golden Close Maritime, Kungsleden Fastigheter, Vimpelcom, Bonheur and Svensk Exportkredit. The holding in DDI Holding was redeemed in January 2012.

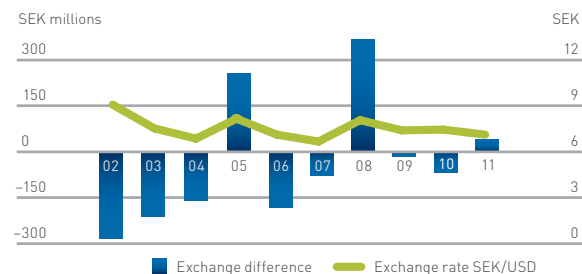
Total short-term investments corresponded to SEK 113.6 (84.0) million.

### Parent Company

The parent company's sales for the fourth quarter amounted to SEK 0.6 (19.3) million, with intragroup invoicing representing SEK 0.0 (0.0) million of this amount. The parent company's result after financial items for the fourth quarter amounted to SEK -7.2 (-6.8) million. The parent company's available liquid funds, including unutilised credit facilities amounted to SEK 1,928.9 (1,826.4) million.

### Exchange differences in other comprehensive income

As a result of SEK/USD exchange rate movements in 2011, the company's profit in SEK has changed, while profit in USD remains unchanged. More information about how the company protects itself against currency and interest rate fluctuations can be found in "Changes in translation and hedging reserves".





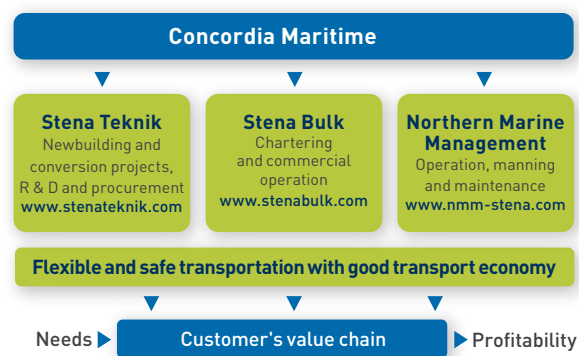
# OTHER INFORMATION

## Related party transactions

Concordia Maritime has a small organisation, and purchases services from companies in the Stena Sphere, including Stena Bulk. The latter company conducts tanker business which competes with Concordia Maritime in some respects. Accordingly, there is an agreement, entered into many years ago, which regulates the relationship between the two companies with respect to new business. Under the terms of this agreement, Concordia Maritime has the right to opt for 0, 50 or 100 percent participation in each new transaction.

At the beginning of April 2011, Stena Bulk started a 50–50 joint venture together with the Danish company Weco, resulting in a newly established company, Stena Weco. Stena Weco specialises mainly in the transportation of vegetable oils.

Under a new agreement with Stena Bulk, Concordia Maritime is entitled to the financial result arising from vessels that may from time to time be chartered in by Stena Weco for a period of more than one year, should Concordia Maritime decide to participate in such charters. Other business generated by Stena Weco is not available to Concordia Maritime.



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 percent on freight rates.
- Commission on the purchase and sale of vessels. Payment is based on a commission of 1 percent.
- Operation and manning of the Group's vessels, also referred to as 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 monitoring and development of Concordia Maritime's fleet. Payment is based on a fixed price per month and vessel. With regard to technical consulting services for construction projects, an hourly rate is applied on a cost-plus basis, which is then charged to the project.
- Office rent and office services. A fixed price per year is charged.

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

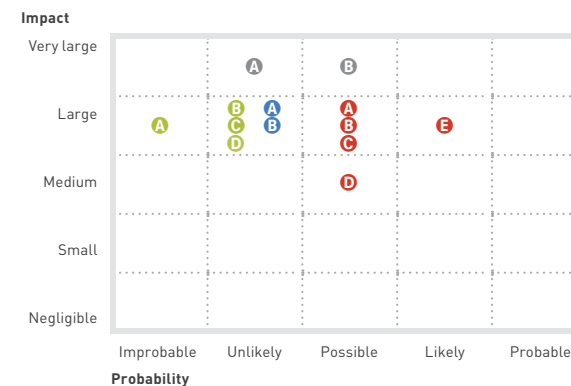
## Risks and uncertainties

Concordia Maritime is exposed to a number of risks of various types. The main market-related factors affecting the company include the general economy, freight rates, oil prices and political factors. Risks related to operational activities include ship management, insurance and employees. Concordia Maritime is also exposed to credit and financial risks.

The management and the board work actively to minimise risk exposure and to minimise the consequences and effects of a risk nevertheless materialising.

Further information can be found in the 2010 annual report.

	Type of risk
<b>1. Corporate risks</b>	A Brand
	B Employees
	C Liquidity
	D Financing risk
<b>2. Market-related risks</b>	A Economic trend
	B Freight rates
	C Oil price
	D Political risk
	E War and instability
<b>3. Operational risks</b>	A Ship operation and insurance
	B Environment
<b>4. Credit risks</b>	A Counterparty risks – customer
	B Counterparty risks – shipyards and partners





## GROUP

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

SEK millions	Quarter 4 2011	Quarter 4 2010	Full year 2011	Full year 2010
<b>CONSOLIDATED INCOME STATEMENT</b>				
Average exchange rate SEK/USD	6.75	6.77	6.50	7.20
Time charter income	128.1	145.5	541.5	513.4
Spot charter income	9.9		18.1	
<b>Total income</b>	<b>138.0</b>	<b>145.5</b>	<b>559.6</b>	<b>513.4</b>
Operating costs, ships	-34.0	-50.7	-162.6	-155.4
Seagoing personnel costs	-31.6	-27.2	-114.5	-101.9
Other external costs	-6.9	-7.8	-27.4	-25.6
Personnel costs	-4.3	-3.8	-12.5	-11.0
Depreciation	-36.9	-30.3	-135.0	-119.3
<b>Total operating costs</b>	<b>-113.7</b>	<b>-119.8</b>	<b>-452.0</b>	<b>-413.2</b>
<b>Operating result</b>	<b>24.3</b>	<b>25.7</b>	<b>107.6</b>	<b>100.2</b>
Dividends		0.7	0.5	0.7
Interest income and similar items	3.5	1.0	7.8	10.6
Interest expenses and similar items	-8.5	-9.5	-39.6	-38.2
Exchange differences				3.6
<b>Financial net</b>	<b>-5.0</b>	<b>-7.8</b>	<b>-31.3</b>	<b>-23.3</b>
<b>Result after financial net</b>	<b>19.3</b>	<b>17.9</b>	<b>76.3</b>	<b>76.9</b>
Tax	6.6	1.0	8.5	3.5
<b>Result after tax</b>	<b>25.9</b>	<b>18.9</b>	<b>84.8</b>	<b>80.4</b>
<b>Other comprehensive income</b>				
Result for the period	25.9	18.9	84.8	80.4
Exchange differences, net after tax	12.3	-4.3	41.3	-112.0
Equity hedge, net after tax	-3.6	2.4	-6.8	46.3
Available-for-sale financial assets, net after tax		-0.6	-0.6	4.8
Cash flow hedges, currency-related, net after tax	1.0	-5.4	1.4	-3.3
Cash flow hedges, interest-related, net after tax	5.2	6.1	-10.2	-41.4
<b>Total comprehensive income</b>	<b>40.8</b>	<b>17.1</b>	<b>109.9</b>	<b>-25.2</b>
<b>Per-share data, SEK</b>				
Number of shares	47,729,798	47,729,798	47,729,798	47,729,798
Result per share, before/after dilution	0.54	0.40	1.78	1.68
Equity per share, SEK	37.24	35.94	37.24	35.94



## GROUP

# CONDENSED BALANCE SHEET

SEK millions	31 Dec 2011	31 Dec 2010
Closing exchange rate SEK/USD	6.87	6.73
<b>Assets</b>		
Ships and equipment	3,291.1	2,919.6
Ships under construction	143.0	262.0
Financial assets	1.8	2.1
<b>Total fixed assets</b>	<b>3,435.9</b>	<b>3,183.7</b>
Current receivables	80.5	124.8
Short-term investments	113.6	84.0
Cash and bank balances	128.2	68.3
<b>Total current assets</b>	<b>322.3</b>	<b>277.1</b>
<b>Total assets</b>	<b>3,758.2</b>	<b>3,460.8</b>
<b>Equity and liabilities</b>		
Equity	1,777.6	1,715.4
Long-term liabilities	1,820.2	1,608.8
Current liabilities	160.4	134.0
Overdraft facilities		2.6
<b>Total equity and liabilities</b>	<b>3,758.2</b>	<b>3,460.8</b>

## CHANGES IN EQUITY

SEK millions	Share capital	Other paid-in capital	Translation reserve	Hedging reserve	Fair value reserve	Retained earnings	Total
<b>Changes Jan-Dec 2011</b>							
Opening balance 01-01-2011	381.8	61.9	49.1	-37.8	4.8	1,255.6	1,715.4
Comprehensive income for the period			34.5	-8.8	-0.6	84.8	109.9
Dividend						-47.7	-47.7
<b>Closing balance 31-12-2011</b>	<b>381.8</b>	<b>61.9</b>	<b>83.6</b>	<b>-46.6</b>	<b>4.2</b>	<b>1,292.7</b>	<b>1,777.6</b>
<b>Changes Jan-Dec 2010</b>							
Opening balance 01-01-2010	381.8	61.9	114.8	6.9	0.0	1,222.9	1,788.3
Comprehensive income for the period			-65.7	-44.7	4.8	80.4	-25.2
Dividend						-47.7	-47.7
<b>Closing balance 31-12-2010</b>	<b>381.8</b>	<b>61.9</b>	<b>49.1</b>	<b>-37.8</b>	<b>4.8</b>	<b>1,255.6</b>	<b>1,715.4</b>



## GROUP

# CONDENSED CASH FLOW STATEMENT

SEK millions	Quarter 4 2011	Quarter 4 2010	Full year 2011	Full year 2010
<b>Operating activities</b>				
Result after financial net	19.2	17.9	76.2	76.9
Adjustments:				
Depreciation	43.7	33.1	153.8	129.9
Result, sale of financial assets		-1.5		-1.5
Result, sale of fixed assets	-0.6		-0.6	
Result, sale of securities	-0.4		1.7	
Other items		5.4		5.4
<b>Cash flow from operating activities before changes in working capital</b>	<b>61.9</b>	<b>54.9</b>	<b>231.1</b>	<b>210.7</b>
Changes in working capital	6.2	22.8	65.5	131.3
<b>Cash flow from operating activities</b>	<b>68.1</b>	<b>77.7</b>	<b>296.6</b>	<b>342.0</b>
<b>Investing activities</b>				
Sale of fixed assets	5.4		5.4	
Ships under construction	-26.0	-257.5	-330.1	-638.6
Investment in financial assets	-50.6		-57.0	
Sale of financial assets	11.5	15.8	27.0	94.7
<b>Cash flow from investing activities</b>	<b>-59.7</b>	<b>-241.7</b>	<b>-354.7</b>	<b>-543.9</b>
<b>Financing activities</b>				
New loans	1,271.8	430.0	3,545.5	716.9
Amortisation of loans	-1,249.4	-255.3	-3,380.3	-482.1
Dividend to shareholders			-47.7	-47.7
<b>Cash flow from financing activities</b>	<b>22.4</b>	<b>174.7</b>	<b>117.5</b>	<b>187.1</b>
Cash flow for the period	30.8	10.7	59.4	-14.8
Balance at beginning of period (Note 1)	98.6	61.0	68.3	82.5
Exchange differences (Note 2)	-1.2	-3.4	0.5	0.6
Balance at end of period (Note 1)	128.2	68.3	128.2	68.3
Note 1. Balance consists of cash, bank balances and credit facility				
Note 2. Exchange differences attributable to:				
Balance at beginning of year		-1.1	0.1	0.4
Cash flow for the period	-1.2	-2.3	0.4	0.2
	<b>-1.2</b>	<b>-3.4</b>	<b>0.5</b>	<b>0.6</b>



# QUARTERLY OVERVIEW

SEK millions	Quarter 4 2011	Quarter 3 2011	Quarter 2 2011	Quarter 1 2011	Quarter 4 2010	Quarter 3 2010	Quarter 2 2010	Quarter 1 2010
<b>Profit/loss items</b>								
Net sales	138.0	145.5	117.1	159.0	145.5	127.9	132.7	107.3
Operating costs	-113.7	-110.8	-94.4	-133.1	-119.8	-104.5	-106.0	-82.9
Operating result (EBIT)	24.3	34.7	22.7	25.9	25.7	23.4	26.7	24.4
of which profit/loss on ship sales								
Financial net	-5.0	-12.9	-6.5	-6.9	-7.8	-4.6	-7.2	-3.7
Result after financial items	19.3	21.8	16.2	19.0	17.9	18.8	19.5	20.7
Result after tax	25.9	20.1	17.9	20.9	18.9	17.7	20.9	22.9
Cash flow from operating activities	61.9	60.2	56.0	53.0	54.9	52.9	53.1	49.8
EBITDA	61.2	70.6	53.3	57.5	56.0	54.2	58.1	51.2
<b>Balance-sheet items</b>								
Ships (number)	3,291.1 (11)	3,295.0 (11)	3,066.8 (11)	2,706.5 (10)	2,919.6 (10)	2,507.6 (9)	2,903.0 (9)	2,730.5 (9)
Ships under construction (number)	143.0 (1)	138.9 (1)	87.5 (1)	291.3 (2)	262.0 (2)	482.1 (3)	494.9 (3)	442.1 (3)
Liquid funds incl. investments	241.8	163.1	162.0	180.4	152.3	145.3	102.0	88.1
Other assets	82.3	85.8	102.3	105.1	126.9	150.3	191.9	176.9
Interest-bearing liabilities	1,815.4	1,777.5	1,619.8	1,480.0	1,596.1	1,430.0	1,688.1	1,535.6
Other liabilities and provisions	165.2	168.5	158.9	132.4	149.3	157.0	166.9	103.3
Equity	1,777.6	1,736.8	1,639.9	1,670.9	1,715.4	1,698.3	1,836.8	1,798.7
Total assets	3,758.2	3,682.8	3,418.6	3,283.3	3,460.8	3,285.3	3,691.8	3,437.6
<b>Key ratios, %</b>								
Equity ratio	47	47	48	51	50	52	50	52
Return on total capital	3	3	3	3	2	2	3	3
Return on capital employed	3	3	3	3	2	2	3	4
Return on equity	5	5	5	5	5	3	5	5
Operating margin	18	24	19	16	18	18	20	23
<b>Share data</b>								
Net sales	2.89	3.05	2.45	3.33	3.05	2.68	2.78	2.25
Operating costs	-2.38	-2.32	-1.98	-2.79	-2.51	-2.19	-2.22	-1.74
Operating result	0.51	0.73	0.48	0.54	0.54	0.49	0.56	0.51
Financial net	-0.10	-0.27	-0.14	-0.14	-0.16	-0.10	-0.15	-0.08
Result after tax	0.54	0.42	0.38	0.44	0.40	0.37	0.44	0.48
Cash flow	1.30	1.26	1.17	1.11	1.15	1.11	1.11	1.04
EBITDA	1.28	1.48	1.12	1.20	1.17	1.14	1.22	1.07
Equity	37.24	36.39	34.36	35.01	35.94	35.58	38.48	37.69

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

Definitions: see page 16



## PARENT COMPANY

# CONDENSED INCOME STATEMENT AND BALANCE SHEET

SEK millions	Full year 2011	Full year 2010
Net sales	38.9	30.8
Operating costs, ships	-38.6	-29.7
Other external costs	-14.8	-15.1
Personnel costs	-8.6	-7.7
Depreciation and amortisation		-0.1
<b>Operating result</b>	<b>-23.1</b>	<b>-21.8</b>
Interest income and similar items	25.3	84.6
Interest expenses and similar items	-37.1	-29.0
<b>Result after financial items</b>	<b>-34.9</b>	<b>33.8</b>
Tax	9.5	-8.8
<b>Result for the period</b>	<b>-25.4</b>	<b>25.0</b>

SEK millions	31-12-2011	31-12-2010
<b>Assets</b>		
Equipment	0.1	0.1
Financial assets	35.0	25.8
Shares in group companies	745.8	745.8
<b>Total fixed assets</b>	<b>780.9</b>	<b>771.7</b>
Current receivables	7.0	67.1
Short-term investments	26.0	40.9
Cash and bank balances	1,431.7	1,226.2
<b>Total current assets</b>	<b>1,464.7</b>	<b>1,334.2</b>
<b>Total assets</b>	<b>2,245.6</b>	<b>2,105.9</b>
<b>Equity and liabilities</b>		
Equity	600.4	673.4
Long-term liabilities	1,610.4	1,381.1
Current liabilities	34.8	21.9
Overdraft facilities		29.5
<b>Total equity and liabilities</b>	<b>2,245.6</b>	<b>2,105.9</b>
Pledged assets		
Contingent liabilities <sup>1)</sup>	68.7	35.8

<sup>1)</sup> The parent company has also provided guarantee for a subsidiary, which relates to vessel financing. The loan can only be drawn on delivery of the vessel, and was not available at the reporting date. Consequently, the value of the guarantee cannot be defined.

The Concordia Maritime Group applies International Financial Reporting Standards (IFRS) as adopted by the EU. The Group prepares its interim reports in accordance with the accounting policies and calculation methods used in the 2010 annual report, in addition to those described in this year-end report.

The Group's year-end report has been prepared in accordance with IAS 34. The report for the parent company has been prepared in accordance with the Swedish Annual Accounts Act and RFR recommendations. This report gives a true and fair view of the operations, financial position and performance of the parent company and Group, and describes significant risks and uncertainties to which the Group is exposed.

Gothenburg, 22 February 2012  
Concordia Maritime AB (publ)

Dan Sten Olsson  
*Chairman*

C. Mikael von Mentzer  
*Deputy Chairman*

Stefan Brocker

Bert Åke Eriksson

Jens Ole Hansen

Mats Jansson

Jörgen Lorén

Morten Chr. Mo

Hans Norén  
*President*

## ACCOUNTING POLICIES

This interim financial report in summary for the Group has been prepared in accordance with IAS 34 Interim Financial Reporting and relevant provisions of the Swedish Annual Accounts Act. The interim report for the parent company has been prepared in accordance with chapter 9 (Interim Reports) of the Swedish Annual Accounts Act. For the Group and parent company, the same accounting principles and computation methods have applied as in the most recent annual report.

This information in this report is information that Concordia Maritime is required to disclose in accordance with the Swedish Securities Market Act and/or the Swedish Financial Instruments Trading Act. The information was made public on 22 February 2012 at approx. 2 p.m.

## INFORMATION AND CONTACT

The AGM will be held at Lorensbergsteatern, Lorensbergsparken, Gothenburg, at 2.00 p.m. on 26 April 2012. The interim report for the first quarter will be also be presented at the meeting. The 2011 annual report for will be sent to all registered shareholders in April and will be available at Concordia Maritime's offices from the last week in March.

### Reports and information, 2012

2011 Year-end Report	22 February 2012
Q1 Interim Report 2012	26 April 2012
Q2 Interim Report 2012	16 August 2012
Q3 Interim Report	7 November 2012

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## 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 total assets.

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

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

**Equity ratio** Equity as a percentage of total assets.

## ABOUT QR CODES

QR codes are used to refer to more information on the Internet. The code in this report links to a video. The video can also be viewed on Concordia Maritime's website.

The QR code is scanned in with the help of your smartphone camera. You are then taken to the web page containing the information. To be able to use QR codes, your mobile must be equipped with a camera, a QR reader and an Internet connection.

If you do not already have a QR reader in your mobile, it can be downloaded free of charge. There are different readers for different types of mobile phones. Search for QR on sites where you download applications for your smartphone, e.g. App Store or Android Market.

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