

# CONCORDIA MARITIME



## Interim Report 1 January – 30 September 2008

- Net sales: SEK 391.9 (339.3) million
- Profit after tax: SEK 55.8 (31.5) million
- Profit per share after tax: SEK 1.17 (0.66)
- EBITDA of USD 18.1 (9.2) million
- Forecast for 2008 unchanged: A profit before tax of SEK 70 million



CITENA PRESIDENT

**Concordia Maritime** is an international tanker shipping company listed on the OMX Nordic Exchange Stockholm. The company has a newbuilding program comprising ten tankers, which are being built in accordance with the MAX concept. Six of these tankers have been delivered. These vessels, P-MAX, are product tankers of about 65,200 dwt. The MAX concept means that the vessels are designed for maximum loading capacity in shallow waters. They have been designed according to a new concept for safer oil transportation with double main engines in two completely separate engine rooms, double rudders and steering gear, two propellers and double control systems. [www.concordia-maritime.se](http://www.concordia-maritime.se).

**Innovation and Performance** the mission is to generate a profit by providing the customers with safe, cost-efficient tanker transportation based on innovation and performance.

## President's views



Hans Norén  
President,  
Concordia Maritime

OUR BUSINESS ACTIVITIES during the third quarter were stable and generated a profit and cash flow somewhat better than planned.

The operating result was SEK 22.6 million. This was our best quarter since the first quarter of 2005. Cash flow (EBITDA) after nine months is SEK 2.78 per share.

All the vessels in our fleet are signed to fixed time charter contracts and we have financing on favourable terms for the remainder of the newbuilding program. We thus have a stable platform and resources for new investments. This is especially important in these times of financial instability and nervousness in the financial markets.

The state of the financial market has now resulted in downward price adjustments for, in principle, all forms of financial investments. This also applies to our holdings, which are calculated at their market value on each accounting date and the effect included in the income statement.

At the end of the quarter, the value of our shareholding in Arlington Tankers had fallen about 25% compared with the beginning of

the year and has since fallen a further 30%. This change in value is recorded directly to equity.

As mentioned in the previous interim report, the board of Arlington Tankers has proposed a merger with the US shipping company General Maritime. The companies have not yet made a final detailed proposal public. Shareholder meetings, which will vote on the proposal, will be held at the beginning of December at the earliest. We are continuing our evaluation of the proposed deal.

Even if the tanker markets so far do not seem to have been affected to any appreciable extent by the crisis in the financial markets, a general downturn in the so-called real economy will, of course, also affect this market in the form of lower demand.

A concrete example of the direct impact on shipping is that many shipping companies do not have the financing in place for their newbuilding orders and the lack of a functioning loan market could then result in difficulties in taking delivery of the vessels from the shipyards. This could provide business opportunities.

## Our fleet

	Vessel	dwt	Year	Employment on delivery
<b>P-MAX</b>	<i>Stena Paris</i>	65,200	2005	TOTAL, five plus two years
	<i>Stena Provence</i>	65,200	2006	TOTAL, five plus two years
	<i>Stena Primorsk</i>	65,200	2006	Argo Shipping, ten years
	<i>Stena Performance</i>	65,200	2006	Hess, five years
	<i>Stena President</i>	65,200	2007	Argo Shipping, ten years
	<i>Stena Perros</i>	65,200	2007	TOTAL, five years
	<i>Stena Progress</i>	65,200	Q4, 2009	TOTAL, five years
	<i>Stena Polaris</i>	65,200	Q4, 2009	ST Shipping three years
	<i>Stena Penguin</i>	65,200	Q4, 2010	ST Shipping three years
	<i>Stena Premium</i>	65,200	Q4, 2010	ST Shipping three years
<b>PANAMAX</b>	<i>Stena Poseidon (50%)</i>	74,900	2007	Neste Shipping, ten years
	<i>Palva (50%)</i>	74,900	2007	Neste Shipping, ten years
<b>V-MAX</b>	<i>Stena Vision</i>	313,000	2001	Time-chartered out until end of 2010
	<i>Stena Victory</i>	313,000	2001	Time-chartered out until end of 2009
<b>TOTAL</b>		1,427,800		



The vessels in the MAX concept are among the safest tankers in the world. Here, society's demands on safety and environmental concern are combined with the market's desire for greater flexibility and better transport economy.



## Business activities

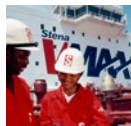


### Product tankers

Six P-MAX tankers are in service. During the third quarter, *Stena Paris* was dry-docked according to plan. The vessel recently re-entered service. The *Stena Paris*, together with her sisters the *Stena Provence* and the *Stena Perros*, is in service with TOTAL while the *Stena Performance* is sailing for Hess Corporation and the *Stena Primorsk* and the *Stena President* for Argo Shipping. The fleet operates 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.

The segment reports an EBITDA of USD 7.4 (5.6) million for the third quarter. The EBITDA for the first nine months is USD 21.3 (17.8) million.



### Large tankers

The *Stena Victory*, which is time-chartered from Arlington Tankers, continued to sail for Lukoil. The charter expires at the end of 2009 when the vessel will be redelivered to Arlington Tankers. Concordia Maritime can choose to extend the charter via three 12-month options.

The sister ship *Stena Vision*, which previously sailed for Sunoco, has now entered a charter with Lukoil. This charter expires at the end of 2010 when she will be redelivered to Arlington Tankers. Concordia Maritime can choose to extend the charter via two 12-month options.

Operations during the third quarter proceeded according to plan. The segment reports an EBITDA of USD -0.5 (-0.8) million. The EBITDA for the first nine months is USD -2.0 (-5.6) million.

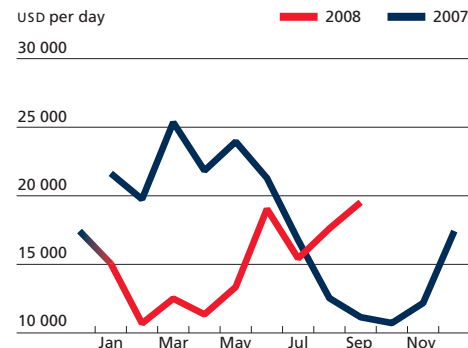


### The freight market

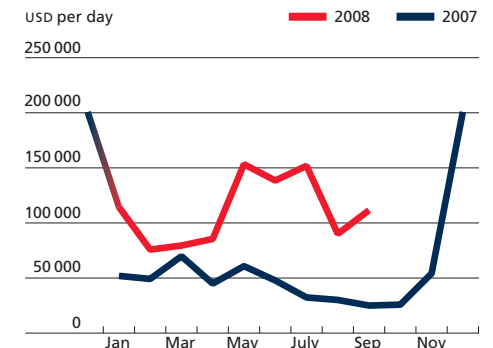
The strong product tanker market continued during the third quarter. The relatively strong market, which is a consequence of low petrol stocks and increased refinery capacity, was strengthened by the hurricanes Gustav and Ike when most of the refinery capacity in the region affected was closed down. This resulted in a short-term surge in imports of petrol. With the refineries now resuming production and increasing their capacity, the product tanker market has weakened somewhat. Forward contracts for the transatlantic traffic are being signed for about USD 19,000 per day for the rest of the year.

The market for VLCCs continues to be strong. Even though the freight rates during the third quarter were lower, they were still at historically high levels. The unexpectedly strong market can be explained by, among other things, diminishing oil stocks and a fleet that grew more slowly than anticipated. This lower growth is due partly to delays in newbuilding deliveries and conversions of single-hull vessels into dry-cargo carriers. Several market analysts are optimistic about the market for VLCCs in 2008 and expect freight rates on the FFA market to be in the region of USD 60,000 per day during the last three months of the year.

#### Freight rates, MR



#### Freight rates, VLCC



Source: Fearnleys

# Business activities

(cont.)

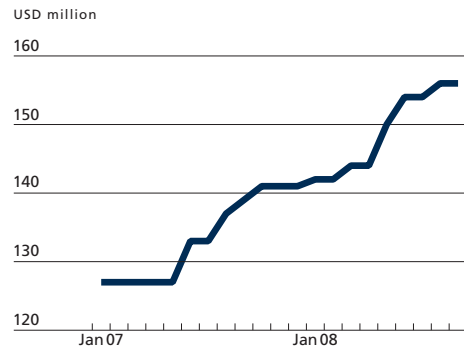


## The shipbuilding market

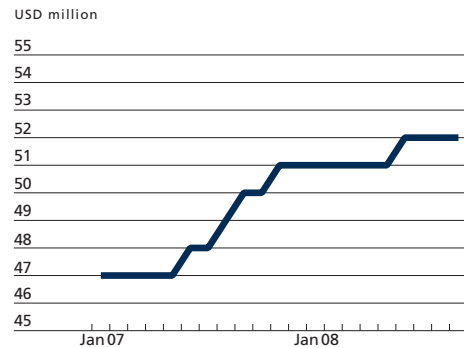
VLCC newbuilding prices have increased during the year and are currently about USD 156 million. The prices of MR product tankers have also increased somewhat to USD 52 million. The prices of tankers on the second-hand market are still on a par with newbuilding prices. A standard MR tanker is valued at around USD 50 million, but there are few sales in the market and a downward trend can be discerned. P-MAX tankers, with their unique design and, among other things, substantially larger cargo intake, should therefore not be compared with standard tonnage.

External shipbrokers' valuations of the P-MAX are in the region of USD 65–75 million. Note that ship values are based on immediate delivery for the open market (spot market).

### Newbuilding prices, VLCC



### Newbuilding prices, MR



Source: Fearnleys



# Financial summary

## Sales and result

Sales amounted to SEK 391.9 (339.3) million. The result after financial items was SEK 49.2 (31.1) million. The result after tax was SEK 55.8 (31.5) million, which corresponds to a profit per share after tax of SEK 1.17 (0.66).

## Third quarter

Sales during the third quarter amounted to SEK 134.2 (114.6) million. The result after financial items was SEK 12.4 (15.5) million. The result after tax was SEK 16.5 (9.0) million, which corresponds to a profit per share after tax of SEK 0.35 (0.19).

## Liquidity and financing

The Group's disposable liquid funds, including unutilised credit facilities, amounted to SEK 576.7 million on 30-09-2008 (SEK 515.9 million on 31-12-2007). Financing is in place for all newbuildings.

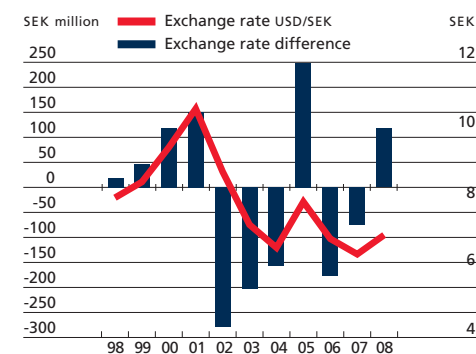
## Investments

Investments in 2008 have amounted to SEK 180.8 million (SEK 836.7 million for the whole of 2007) and consist of advance payments to the shipyard and project costs relating to the vessels on order.

## Equity

Equity per share is SEK 34.47 (33.88). The SEK/USD exchange rate on 30-09-2008 was 6.95 (31-12-2007: 6.43). The increase in value of the USD in the SEK/USD exchange rate since the beginning of the year has increased equity by SEK 117.6 (-55.7) million, which corresponds to SEK 2.46 (-1.16) per share. The accumulated exchange rate differences, including the effects of hedging, recorded directly to equity amount to SEK -114.1 (-211.7) million.

## Exchange rate difference



## Segment reporting first nine months, 2008

	Product tanker	Large tanker	Others	Total
Sales <sup>(1)</sup>	249.0	142.9	-	391.9
Operating costs, ships <sup>(2)</sup>	-107.0	-52.5	-	-261.5
Distribution of costs <sup>(3)</sup>	-10.1	-1.2	-7.0	-18.3
<b>EBITDA</b>	<b>131.9</b>	<b>-12.8</b>	<b>-7.0</b>	<b>112.1</b>
Depreciation	-52.8	-1.0	-	-53.8
<b>Operating result</b>	<b>79.1</b>	<b>-10.1</b>	<b>-7.0</b>	<b>58.3</b>

<sup>(1)</sup> Approx. 9% of the accumulated sales in the product tanker segment are related to profit-sharing clauses.

<sup>(2)</sup> The company reports depreciation of periodic maintenance (dry-docking) as operating costs related to ships. On 30 September 2008, these costs amounted to SEK 8.9 million. For more information, see the annual report for 2007.

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

## Segment reporting Q3 2008

	Product tanker	Large tanker	Others	Total
Sales	85.3	48.9	-	134.2
Operating costs, ships <sup>(2)</sup>	-35.4	-51.8	-	-87.2
Distribution of costs <sup>(3)</sup>	-3.1	-0.4	-2.6	-6.1
<b>EBITDA</b>	<b>46.8</b>	<b>-3.3</b>	<b>-2.6</b>	<b>40.9</b>
Depreciation	-17.9	-0.4	-	-18.3
<b>Operating result</b>	<b>28.9</b>	<b>-3.7</b>	<b>-2.6</b>	<b>22.6</b>

# Financial summary

(cont.)

## Currency and interest rate hedging

Concordia Maritime'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 increase in the value of the USD in the SEK/USD exchange rate in 2008 has increased the company's profit in SEK, although in USD it has remained unchanged. Until 5 September 2008, Concordia Maritime utilised so-called equity hedging, i.e. to protect equity from a weakening USD. This hedge, corresponding to USD 135 million, has now been terminated. The equity hedge has generated a surplus totalling SEK 52.0 (SEK 1.09 per share) since it was introduced in 2004. The result of this hedging is recorded directly to equity in the item "Change in translation reserve".

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 change in value is recorded directly to equity under "Hedge reserve". The change for the period amounted to SEK -42.7 million and the hedge reserve on the accounting date amounted SEK 47.1 million.

In order to protect itself against interest-rate fluctuations, the company has entered into an interest rate hedge corresponding to USD 88 million or 60% of utilised credit facilities, a contract that expires in February 2010. At the end of the third quarter, this contract was valued at SEK 6.0 million, which is recorded to the "hedge reserve" in equity.

## Arlington Tankers

Concordia Maritime's shareholding consists of 1,534,785 shares, which is equivalent to 10% of the total number of shares. The price of the share on 30-09-2008 was USD 15.38 (31-12-2007: USD 22.13). The holding has been valued at its market value in the balance sheet, recorded to equity, and is included in the "fair value reserve".

## Short-term investments

Concordia Maritime has an investment portfolio consisting mainly of corporate bonds. 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% (also called purchase yield). These holdings are valued at their market value on each accounting date and their value for the first nine months of the year is SEK -21.9 (-10.1) million. The effect on the result is unrealised and does not affect the anticipated return. In the table below, the corporate bond holdings are denominated in USD unless otherwise stated. Other

holdings have a book value of SEK 63.2 million and have been revalued by SEK -0.3 million in the accounts. Other holdings consist mainly of mutual funds.

## Parent company

The Parent Company's sales totalled SEK 35.2 (39.7) million. Intergroup invoicing accounted for SEK 0.0 (0.0) million of this amount. The result after financial items was SEK -22.6 (37.9) million. The Parent Company's disposable liquid funds, including unutilised credit facilities, amounted to SEK 760.2 million.

The Annual General Meeting on 22 April approved the proposal of a dividend of SEK 1 per share to be distributed by the Parent Company. The dividend was distributed via the Swedish Securities Register Center (VPC AB) on 30 April. The meeting re-elected the board members and Dan Sten Olsson was re-elected as Chairman of the Board

Related company transactions are described in a separate section below. Additionally, there are intergroup loans, interest expenses and/or interest income.

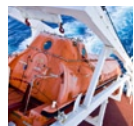
## Holdings of bonds (MUSD)

Holding	Opening balance	Revaluation	Closing balance	Nominal value	Interest. %
Sibneft	28.3	-1.2	27.1	27.0	10.75
Vimpelcom	5.4	-0.2	5.2	5.3	8
Vimpelcom	5.2	-0.2	5.0	5.0	10
DDI Holding	11.9	-1.5	10.4	11.5	9.3
DDI Holding	4.7	-0.4	4.3	4.5	7.8
<b>Total</b>	<b>55.5</b>	<b>-3.5</b>	<b>52.0</b>	<b>53.3</b>	





The forecast for 2008 remains unchanged – an EBITDA of approx. USD 26 million, giving a result before tax of approx. USD 11 million or approx. USD 0.23 per share. Recalculated at the SEK/USD closing rate of exchange, this corresponds to a result before tax of approx. SEK 70 million or SEK 1.47 per share. This is, however, based on the assumption that the market valuation of the company's bond portfolio is in line with the quarterly report.



Shipping is a highly cyclical business. The demand for shipping petroleum and chemical products is largely determined by the consumption of these products. This in turn is to a high degree determined by the state of the economy. The effects of an economic recession in the short term are largest in the spot market and freight rates in tanker shipping can fluctuate significantly from time to time. A downturn in freight rates may be due to both reduced demand for transport capacity and an increased supply of vessels. A change in rates can have a large impact on the profitability of the business. Protecting against an economic downturn in the long term is difficult. Freight rates on the spot market normally fluctuate more than the rates in the futures market. However, with a large part of the fleet signed to long-term charters, Concordia Maritime's exposure to changes in freight rates, from a 3-year perspective, is relatively limited.

The Group's business activities mean that it is exposed to different types of financial risks. Financial risks refer to fluctuations in the company's result and cash flow due to changes in exchange rates, interest

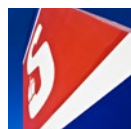
levels and refinancing and credit risks. The Group's financial policy for handling financial risks has been drawn up by the board and forms a framework of guidelines and rules in the form of risk mandates and limits applying to financial activities. The overall objective for the finance function is to provide cost-effective financing and to minimise negative effects on the Group's result caused by market fluctuations.

In the case of risks related to the actual operation of the vessels, Concordia Maritime has taken out insurance policies customary in the industry. The vessels are insured against damage and loss (Hull & Machinery) for amounts representing their market value. The vessels are covered by third party insurance (Protection & Indemnity) without limitation of amount with the exception of oil spills where the limitation of amount is USD 1 billion. The vessels are also insured against loss of revenue (Loss of Hire). In addition to the above-mentioned insurance policies, Concordia Maritime has also taken out the customary insurance for operating in specific waters. Here, one example is COFR insurance (Certificate of Financial Responsibility), which is required in order to operate

vessels in US waters. A COFR is issued by the US Coast Guard to an operator (owner/bareboat charterer) who can demonstrate having the financial capability, via insurance, to pay for cleaning up oil spills and oil damage up to the amounts stipulated in the US Oil Pollution Act, OPA 90.

Despite insurance coverage, etc., damage to a vessel or the like results in costs to the company. Despite insurance coverage, an accident could have a serious impact on Concordia Maritime. The oil industry's demands for safety and environmental responsibility are comprehensive, and an accident at sea or in port could, in addition to negative environmental consequences, seriously damage the Concordia Maritime brand name. Ever since it was established in 1984, the company has projected an image of a quality shipping company with exacting demands on all aspects of safety. This is a position that requires an extremely high level of control and responsibility. Guarding against this type of risk is difficult and can only be achieved by means of far-reaching protective work and complete transparency in the event of an accident. For further information on risks, see the Annual Report for 2007.

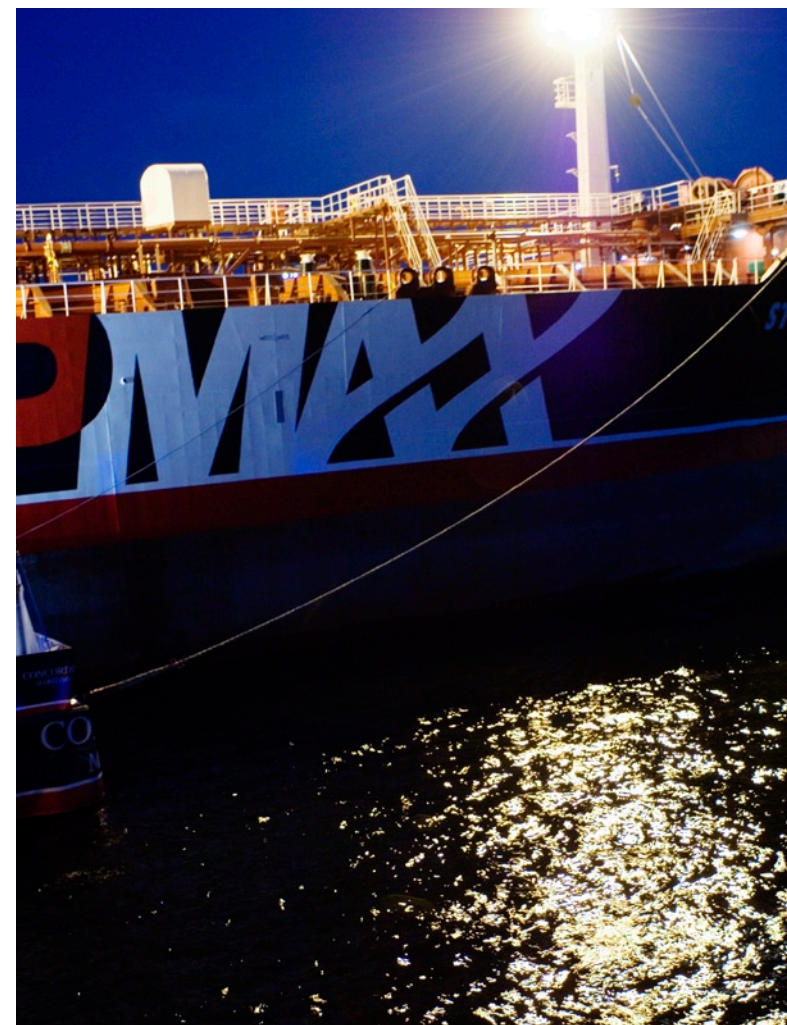
## Related company transactions and charter cooperation with Stena Bulk



Concordia Maritime has a small organisation and purchases services from Stena Bulk, an associated company, 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%, 50% or 100% in the deal in question. Concordia Maritime purchases services on a regular basis from Stena Bulk or other companies in the Stena Sphere in the following areas:

- » Vessel charter. Payment is based on a commission of 1.25% on freight rates.
- » Commission on the purchase and sale of vessels. Payment is based on a commission of 1%
- » 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 for Concordia Maritime's personnel. A fixed price per year is charged.

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



## Reports and information

The financial statement for the full year will be published on 17 February 2009. 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)

This interim 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.

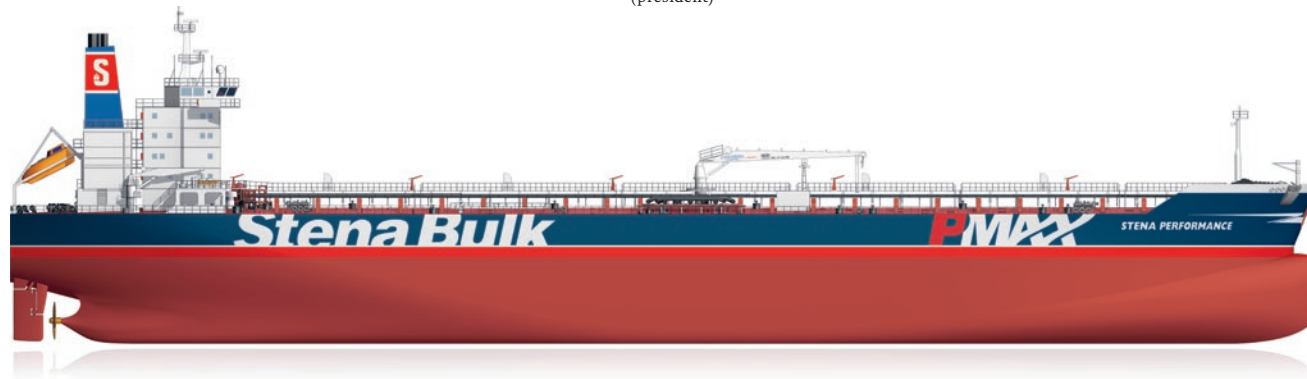
This interim report has not been reviewed by the company's auditors.

Gothenburg, 23 October 2008

CONCORDIA MARITIME AB (publ)

Hans Norén

(president)



### Welcome on board!

Concordia Maritime has launched a new website where we can invite you for the first time to pay a virtual visit on board the *Stena Performance*.

On the website, you will find unique photos and video sequences of the vessel and her crew. Climb up onto the bridge and look around you or take a look at the details in the engine room. You can see the whole vessel – from any angle, i.e. 360°



## Group income statement

	3rd quarter 2008	3rd quarter 2007	9 month 2008	9 month 2007	Full Year 2007
(SEK million)					
Average exchange rate SEK/USD	6.31	6.66	6.19	6.88	6.76
Net Sales	134.2	114.6	391.9	339.3	457.2
<b>Total Income</b>	<b>134.2</b>	<b>114.6</b>	<b>391.9</b>	<b>339.3</b>	<b>457.2</b>
Ships operating costs	-67.8	-69.6	-212.7	-212.8	-282.2
Seagoing personnel costs	-18.3	-11.7	-44.6	-30.1	-42.5
Other external costs	-5.4	-4.5	-16.2	-25.4	-31.0
Personnel costs	-1.8	-1.5	-6.3	-7.2	-10.0
Depreciation	-18.3	-14.1	-53.8	-41.7	-57.5
<b>Total operating costs</b>	<b>-111.6</b>	<b>-101.4</b>	<b>-333.6</b>	<b>-317.2</b>	<b>-423.2</b>
<b>Operating result</b>	<b>22.6</b>	<b>13.2</b>	<b>58.3</b>	<b>22.1</b>	<b>34.0</b>
Dividend	5.5	6.1	16.0	18.3	24.2
Interest income and similar profit/loss items	8.6	9.5	25.9	32.2	42.0
Interest expenses and similar profit/loss items	-24.4	-13.3	-51.0	-41.5	-52.2
Exchange rate differences	0.1	–	–	–	–
<b>Financial net</b>	<b>-10.2</b>	<b>2.3</b>	<b>-9.1</b>	<b>9.0</b>	<b>14.0</b>
<b>Result after financial net</b>	<b>12.4</b>	<b>15.5</b>	<b>49.2</b>	<b>31.1</b>	<b>48.0</b>
Tax	4.1	-6.5	6.6	0.4	14.9
<b>Net result after tax</b>	<b>16.5</b>	<b>9.0</b>	<b>55.8</b>	<b>31.5</b>	<b>62.9</b>
<b>Per-share data</b>					
(SEK)					
Shares at end of period	47 729 798	47 729 798	47 729 798	47 729 798	47 729 798
Result per share before dilution	0.35	0.19	1.17	0.66	1.32
Result per share after dilution	0.35	0.19	1.17	0.66	1.32
Equity per share SEK	34.47	33.88	34.47	33.88	34.08

## Group balance sheet



With its double systems for propulsion and manoeuvring – engines, steering systems, rudders, propellers, control and fuel systems – the P-MAX is a world leader in safety. A double hull is a matter of course.

(SEK million)	Sept. 30 2008	Sept. 30 2007	Dec. 31 2007
Closing exchange rate SEK/USD	6.95	6.48	6.43
<b>Assets</b>			
Ships and equipment	1 845.4	1 512.2	1 769.7
Ships under construction	366.9	173.2	158.3
Financial assets	211.0	253.7	226.1
<i>Total current assets</i>	<i>2 423.3</i>	<i>1 939.1</i>	<i>2 154.1</i>
Current receivables	114.7	253.2	203.2
Short term investment	424.4	402.4	397.1
Cash and bank balances	38.6	26.0	55.6
<i>Total current assets</i>	<i>577.7</i>	<i>681.6</i>	<i>655.9</i>
<b>Total assets</b>	<b>3 001.0</b>	<b>2 620.7</b>	<b>2 810.0</b>
<b>Equity and liabilities</b>			
Equity	1 645.1	1 617.2	1 626.5
Long term provisions	–	10.0	24.9
Long term liabilities	1 164.3	911.3	1 070.7
Short term provisions	10.3	12.0	9.5
Short term liabilities	181.3	70.2	78.4
<b>Total equity and liabilities</b>	<b>3 001.0</b>	<b>2 620.7</b>	<b>2 810.0</b>

## Summary of group's cash flow analysis

(SEK million)	3rd quarter 2008	3rd quarter 2007	9 month 2008	9 month 2007	Full Year 2007
<b>Cash flow from operations</b>					
Result after financial net	12.5	15.5	49.2	31.1	48.0
<i>Adjustment items:</i>					
Depreciation according to plan	22.8	14.1	62.8	41.7	61.2
Other items	14.8	-9.8	20.8	-8.4	11.9
<b>Cash flow from operating activities before changes in working capital</b>	<b>50.1</b>	19.8	<b>132.8</b>	64.4	121.1
Change in working capital	48.3	39.9	165.1	18.9	37.6
<b>Cash flow provided by operating activities</b>	<b>98.4</b>	<b>59.7</b>	<b>297.9</b>	<b>83.3</b>	<b>158.7</b>
<b>Cash flow from investing activities</b>					
Ships under construction	-120.4	-188.5	-180.8	-564.4	-836.7
Investments in financial assets	-0.3	–	-46.2	–	–
Sale of financial assets	–	8.9	24.8	92.2	81.1
<b>Cash flow provided by investing activities</b>	<b>-120.7</b>	<b>-179.6</b>	<b>-202.2</b>	<b>-472.2</b>	<b>-755.6</b>
<b>Cash flow from financing activities</b>					
New loan	–	108.2	–	414.8	694.1
Amortization of credit facility	-2.4	–	-45.7	–	-69.6
Dividend	–	–	-47.7	-47.7	-47.7
Other financing	-48.5	13.1	-3.4	16.2	35.6
<b>Cash flow provided by financing activities</b>	<b>-50.9</b>	<b>121.3</b>	<b>-96.8</b>	<b>383.3</b>	<b>612.4</b>
<b>Cash flow for period</b>	<b>-73.2</b>	1.4	<b>-1.1</b>	<b>-5.6</b>	15.5
<b>Balance at beginning of period (Note 1)</b>	137.9	21.4	55.6	30.2	30.2
<b>Exchange rate (Note 2)</b>	<b>-26.1</b>	3.2	<b>-15.9</b>	1.4	9.9
<b>Balance at end of period (Note 1)</b>	38.6	26.0	38.6	26.0	55.6
Note 1. Balance consists of cash and bank balances					
Note 2. Exchange rate difference relate to					
Balance at the beginning of year	-26.6	1.6	-14.8	1.8	2.0
Cash flow for the year	0.5	1.6	-1.1	-0.4	7.9
	-26.1	3.2	-15.9	1.4	9.9



## Changes in equity, group

(SEK million)	Share-capital	Restricted reserves	Translation reserve	Hedging reserve	Fair value reserve	Non-restricted equity	TOTAL
<b>Changes January – September 2008</b>							
Opening balance 01-01-2008	381.8	61.9	-231.7	89.9	21.0	1 303.6	<b>1 626.5</b>
Change in translation reserve	–	–	117.6	1.8	-6.1	–	<b>113.3</b>
Dividend to shareholders	–	–	–	–	–	-47.7	<b>-47.7</b>
Change in reserves	–	–	–	-38.6	-64.2	–	<b>-102.8</b>
Result for the period	–	–	–	–	–	55.8	<b>55.8</b>
Closing balance 30-09-2008	381.8	61.9	-114.1	53.1	-49.3	1 311.7	<b>1 645.1</b>
<b>Changes January – September 2007</b>							
Opening balance 01-01-2007	381.8	61.9	-156.0	15.4	35.5	1 288.4	<b>1 627.0</b>
Change in translation reserve	–	–	-55.7	-0.9	-2.8	–	<b>-59.4</b>
Dividend to shareholders	–	–	–	–	–	-47.7	<b>-47.7</b>
Change in reserves	–	–	–	52.5	13.3	–	<b>65.8</b>
Result for the period	–	–	–	–	–	31.5	<b>31.5</b>
Closing balance 30-09-2007	381.8	61.9	-211.7	67.0	46.0	1 272.2	<b>1 617.2</b>

## Six year summary

	Q3 2008	Q3 2007	2007	2006	2005	2004	2003
<b>Profit/loss items</b> (SEK million)							
Net sales	391.9	339.9	457.2	381.2	254.0	354.0	649.7
Operating costs	-333.6	-317.2	-423.2	376.5	312.0	271.2	575.7
Operating result	58.3	22.1	34.0	4.7	-1.8	729.4	58.9
– of which profit/loss on ship sales					56.2	646.6	-15.1
Financial net	-9.1	9.0	14.0	47.8	44.5	10.8	-23.8
Result after financial items	49.2	31.1	48.0	52.5	42.7	740.2	35.1
Result after tax	55.8	31.5	62.9	51.9	57.2	740.2	77.1
Cash flow from operating activities	132.8	64.4	121.1	100.0	20.4	136.2	150.5
EBITDA	112.1	63.8	91.5	38.7	-1.3	795.5	177.5
<b>Balance-sheet items</b> (SEK million)							
Ships ( <i>Number of ships</i> )	1 845.4 (7)	1 515.2 (6)	1 769.7 (7)	1 048.8 (4)	304.2 (1)	32.5 (1)	1223.9 (4)
Ships under construction ( <i>Number of ships</i> )	366.9 (4)	173.2 (5)	158.3 (4)	222.3 (7)	384.7 (6)	128.0 (7)	55.4 (6)
Liquid funds	463.0	428.4	452.7	547.8	839.5	1254.1	40.3
Other assets	325.7	506.9	430.7	415.3	368.9	313.4	87.8
Interest-bearing liabilities	1 109.1	891.1	1 073.1	506.2	0.0	0.0	300.7
Other liabilities and provisions	246.8	112.4	110.4	101.0	126.4	111.2	80.2
Equity	1 645.1	1 617.2	1 626.5	1 627.0	1 770.9	1 616.8	1 026.5
Total assets	3 001.0	2 620.7	2 810.0	2 234.2	1 897.3	1 728.0	1 407.4
<b>Key ratios</b> (percent)							
Equity ratio	55	62	73	73	93	94	73
Return on total capital	3	3	4	4	5	47	3
Return on capital employed	3	3	4	5	5	49	3
Return on equity	3	2	4	3	3	56	7
<b>Share data</b> (SEK/share)							
Net sales	8.21	7.12	9.58	7.99	5.32	7.42	13.61
Operating costs	-6.99	-6.65	-8.87	7.89	6.54	5.68	12.06
Operating result	1.22	0.46	0.71	0.10	-0.04	15.28	1.23
Financial net	-0.19	0.19	0.29	1.00	0.93	0.23	-0.50
Result after tax	1.17	0.66	1.32	1.09	1.20	15.51	1.62
Cash flow from operating activities	2.78	1.35	2.54	2.10	0.43	2.85	3.15
EBITDA	2.35	1.34	1.92	0.81	-0.03	16.67	3.72
Equity	34.47	33.88	34.08	34.09	37.10	33.87	21.51

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

Definitions: as in annual report 2007. Figures for 2003 has not been recalculated according to IFRS

## Income statement and balance sheet for parent company

Income statement (SEK million)	Sept. 30 2008	Sept. 30 2007
Net sales	35.2	39.7
Ships operating costs	-10.7	-10.2
Seagoing personnel costs	-8.2	-12.5
Other external costs	-10.1	-9.5
Personal costs	-5.2	-6.8
Depreciation	-14.9	-13.8
<b>Total operating costs</b>	<b>-13.9</b>	<b>-13.1</b>
Interest income and similar profit/loss items	92.2	92.7
Interest expenses and similar profit/loss items	-100.9	-41.7
<b>Financial net</b>	<b>-22.6</b>	<b>37.9</b>
Tax	6.4	-10.7
<b>Net result after tax</b>	<b>-16.2</b>	<b>27.2</b>

Balance sheet (SEK million)	Sept. 30 2008	Sept. 30 2007
<b>Assets</b>		
Ships and equipment	419.5	439.1
Financial assets	7.6	8.9
Shares in group companies	754.2	754.2
<i>Total fixed assets</i>	<i>1 181.3</i>	<i>1 202.2</i>
Current receivables	84.0	59.6
Short term investments	60.1	61.8
Cash and bank balances	222.2	45.5
<i>Total current assets</i>	<i>366.3</i>	<i>166.9</i>
<b>Total Assets</b>	<b>1 547.6</b>	<b>1 369.1</b>
<b>Equity and Liabilities</b>		
Equity	574.8	649.2
Long term liabilities	878.5	670.8
Short term liabilities	94.3	49.1
<b>Total equity and liabilities</b>	<b>1 547.6</b>	<b>1 369.1</b>



## Contacts

**Hans Norén**, President

+46 31-85 51 01 or +46 704-85 51 01

[hans.noren@concordia-maritime.se](mailto:hans.noren@concordia-maritime.se)

**Göran Hermansson**, Financial Manager

+46 31-85 50 46 or +46 704-85 50 46

[goran.hermansson@concordia-maritime.se](mailto:goran.hermansson@concordia-maritime.se)

### **Concordia Maritime**

SE-405 19 Gothenburg

Phone +46 (0)31 85 50 00

Corporate number SE-556068-5819

[www.concordia-maritime.se](http://www.concordia-maritime.se)



Hans Norén

Göran Hermansson

## Teleconference invitation

Concordia Maritime invites you to a teleconference on 24 October, 2008, 10:00 CEST. The Interim Report for Q3, 2008, will be presented and questions answered.

### **Attending**

Hans Norén, President

Göran Hermansson, Financial Manager

### **Phone**

+44 (0)20 7162 0077 or +46 (0)8 5052 0110

Conference title: Concordia Maritime

*For a recorded version*

+44 (0)20 7031 4064 or +46 (0) 8 5052 0333

Code: 813604 (valid until 31 October 2008).

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