

# YEAR-END REPORT

1 JANUARY–31 DECEMBER 2014

- Strong market growth during the quarter
- Agreement with ExxonMobil extended
- Charter of Suezmax vessel (50%)
- Pool formed together with Stena Bulk
- Profit before tax of SEK 16.5 (–39.0) million for the full year 2014
- The Board will propose to the AGM that no dividend be paid

## EVENTS AFTER THE REPORTING PERIOD

- Charter of an additional Suezmax vessel (50%)

	Quarter 4 (Oct–Dec)		Full year	
	2014	2013	2014	2013
Total income, SEK million	125.7	95.7	531.2	467.8
EBITDA, SEK million	40.5	9.2	201.0	144.7
Operating result, SEK million	2.2	–27.0	56.3	0.4
Result after tax, SEK million	–16.6	–30.8	8.6	–28.8
Result per share, SEK	–0.35	–0.64	0.18	–0.60
EBITDA, USD million	5.3	1.4	29.3	22.2
Available liquid funds <sup>1)</sup> , SEK million	233.5	242.1	233.5	242.1

1) Including unutilised available credit facilities.



# CONCORDIA MARITIME IN 60 SECONDS

Concordia Maritime is an international tanker shipping company. Our focus is on cost-effective freight and safe transportation – primarily 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 first-class performance.

To make opportunistic investments in versatile vessels and gain financially from fluctuations in their values.

## 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 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 and vegetable oils. As a complement to this focus, we are also active in the transportation of crude oil.

## 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.

## STRATEGY

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

## FINANCIAL OBJECTIVES

- Growth, at least 10% per year while maintaining profitability
- Profitability, a return on equity of at least 12%
- Equity ratio, at least 50% over a business cycle

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# CEO'S OVERVIEW

**Overall, we are reporting a profit before tax of SEK million 16.5 (-39.0) for the full year 2014. Earnings have been positively affected by the sale of investments in jointly-controlled entities, which were the 50-50 owned panamax vessels *Stena Poseidon* and *Palva*. Operating cash flow (EBITDA), including the sale of the above investments, amounted to SEK 201.0 (144.7), million, corresponding to USD 29.3 (22.2) million.**

Looking at the full year, both the crude oil and product tanker markets strengthened compared with the previous year. This meant that the market trends were broadly as we had previously predicted. However, the quarters differed significantly. The second and third quarters were much weaker for the product tanker market than we had expected, while the end of the year was considerably stronger.

For Concordia Maritime, 2014 was very much focused with positioning and arranging the fleet in line with our new employment strategy. The overall aim has been – and still is – to optimise vessel utilisation, thereby creating the best possible conditions for good profitability. A fundamental aspect of these efforts has been to concentrate employment on trades and cargo systems where the P-MAX vessels' unique properties come into their own. The work has been partly successful and has resulted in half of our lighter products vessels being employed on different niche trades during the year. *Stena Paris*, for example, sailed on one of Total's niche trades from Southeast Asia to Polynesia, where her extremely shallow draft was of particular benefit. *Stena Provence* and *Stena Polaris* were contracted for half of the year by Exxon-Mobil for consecutive transportation of refined petroleum products in the Asia Pacific region. P-MAX tankers were also able to successfully take advantage of the increased demand for transportation of light products between Europe and West Africa. Here too, the utilisation rate was high in terms of the vessels' load capacity.

## Fourth quarter

Result after tax for the fourth quarter amounted to SEK -16,6 (-30.8) million, while EBITDA was SEK 40.5 (9.2) million. Income from our P-MAX tankers in the open market was approx. USD 14,700 per day.

The contract with ExxonMobil for consecutive transportation with the P-MAX tankers *Stena Provence* and *Stena Polaris* was renewed during the quarter. The new contract is valid until the end of June 2015.

During the quarter, we and Stena Bulk established a pool for the four P-MAX tankers *Stena Perros*, *Stena President*, *Stena Penguin* and *Stena Primorsk*. The tankers will transport heavy petroleum products, primarily in the Atlantic market. The pool enables us to optimise incentives for efficient vessel utilisation. Two of the vessels in the pool were chartered out to Stena Bulk on one-year contracts at the end of the year.

In early December, we took a position in Stena Bulk's suezmax fleet corresponding to a 50 percent charter of one tanker. After the reporting period an additional position corresponding to a 50 percent charter of a Suezmax vessel was taken. The increased exposure to the crude oil segment reflects our continuing confidence in the segment, which has started 2015 strongly.

## Future prospects

There has also been a strong start to 2015 for product tankers and, looking at the market as a whole, several factors indicate



that the positive trend will continue. In particular, the changes taking place in the refinery area, with a shift from European predominance to the Middle East and Asia, is resulting in increased transport distances. At the same time though, a large number of vessels will be delivered in the coming year.

However, our overall assessment is that the market will continue to develop in a positive direction during 2015 and 2016.

For our own part, the focus in 2015 will be on continued positioning and employment of the fleet based on given market conditions. We shall also be taking delivery of the two new IMO2MAX vessels during the year. We have high hopes that their high load flexibility and energy efficiency will help us deliver good profitability – thereby creating scope for continuing growth.

Kim Ullman, CEO



# BUSINESS ACTIVITIES

The year ended strongly, with rising demand for transportation of both crude oil and refined products. For Concordia Maritime, the process of positioning the fleet in line with the new employment strategy continued during the quarter. At the end of the period, 10.5 of the fleet's total 11.5 vessels were employed on the spot market.

## The product tanker fleet

Our ten 65,200 dwt P-MAX tankers are the backbone of our modern, safe and efficient fleet. Apart from *Stena Paris*, all ships in the P-MAX fleet were employed on the spot market during the quarter, under agreements with Stena Bulk, Stena Weco and ExxonMobil. *Stena Paris* sailed on one of Total's special routes from Southeast Asia to Polynesia, where her extremely shallow draft was of particular benefit. The contract with Total expired in mid-February 2015 after a short extension. *Stena Perros* and *Stena President* were chartered out to Stena Bulk at the end of the quarter. The contract runs until the end of December 2015.

Average income for the entire P-MAX fleet during the fourth quarter was USD 14,800 per day. Average income for the light products segment was USD 16,000 per day, while for the dirty products segment it was USD 13,000 per day.

Average income for the full year was USD 13,750 per day, which was a little higher than in the previous year.

## Suezmax

The suezmax tanker *Stena Supreme* (158,000 dwt) is employed on the spot market via Stena Sonangol Suezmax

## KEY RATIOS

	Quarter 4		Full year	
	2014	2013	2014	2013
EBITDA, SEK million	40.5	9.2	201.0	144.7
Operating result, SEK million	2.2	-27.0	56.3	0.4
Available liquid funds, including unutilised credit facilities, SEK million	233.5	242.1	233.5	242.1
Result per share after tax, SEK	-0.35	-0.64	0.18	-0.60
EBITDA per share, SEK	0.85	0.19	4.21	3.03
Dividend per share, SEK	—	—	0	0.50 <sup>1)</sup>
Equity per share, SEK	32.99	27.07	32.99	27.07
Equity ratio, %	42.0	38.0	42.0	38.0
Growth in equity, %	22	-3	22	-3
Return on equity, %	0.6	-9	0.6	-9

1) Refers to the dividend paid as decided at the Annual General Meeting in May 2013



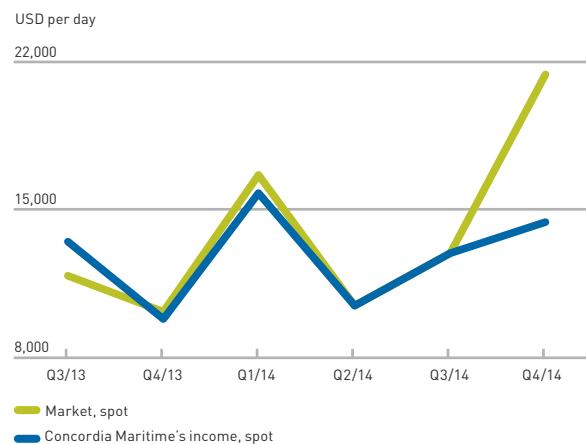
## Fleet at 31 December 2014

	Employment	Partner/customer
<b>P-MAX</b>		
Stena Premium	Spot (light)	Stena Weco
Stena Polaris	Spot (light)	Stena Weco
Stena Performance	Spot (light)	Stena Weco
Stena Provence	Spot (light)	Stena Weco
Stena Progress	Spot (light)	Stena Weco
Stena Paris	Time charter (light)	Total
Stena Primorsk	Spot (heavy)	Concordia Maritime/ Stena Bulk Pool
Stena Penguin	Spot (heavy)	Concordia Maritime/ Stena Bulk Pool
Stena Perros	Spot (heavy)	Concordia Maritime/ Stena Bulk Pool
Stena President	Spot (heavy)	Concordia Maritime/ Stena Bulk Pool
<b>Suezmax</b>		
Stena Supreme	Spot	Stena Sonangol Suezmax Pool
Unnamed vessel*	Spot	Stena Sonangol Suezmax Pool
<b>IMO2MAX</b>		
Stena Image	Delivery in April 2015	Stena Weco
Stena Important	Delivery in October 2015	Stena Weco

\* 50% charter from Stena Bulk. December 2014–December 2015.

## BUSINESS ACTIVITIES CONT'D

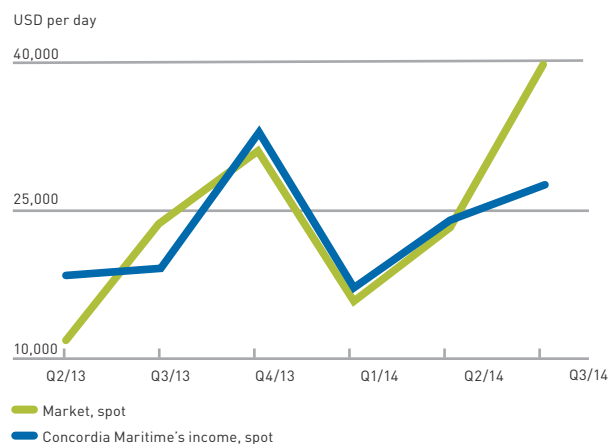
### Product tanker fleet's average income (spot)



Source: Clarksons "Average MR Clean Earnings" / "Average Panamax Dirty

Freight rates began to rise sharply a little way into the fourth quarter. Before this increase, Concordia Maritime had, on various occasions, certain vessels in the fleet committed to fixed voyage charters. That is why the company's income for the quarter was lower than

### Suezmax fleet's average income (spot)



Source: Clarksons "Average Suezmax Long Run Historical Earnings"

the theoretical average income for new contracts in the market. This type of time lag effect for new contracts compared with the market can occur during sharp fluctuations in the market.

### Income, spot

USD per day	Number of vessels	Average income, Concordia Maritime				Average income, market			
		Q4 2014	Q4 2013	Full year 2014	Full year 2013	Q4 2014	Q4 2013	Full year 2014	Full year 2013
<b>Product tankers</b>									
Light products	5	16,000	11,000	13,400	12,400	20,200 <sup>1)</sup>	10,700 <sup>1)</sup>	12,300 <sup>1)</sup>	13,200 <sup>1)</sup>
Heavy products	4	13,000	8,100	14,100	14,000	22,700 <sup>2)</sup>	9,400 <sup>2)</sup>	18,800 <sup>2)</sup>	11,100 <sup>2)</sup>
<b>Suezmax</b>	1	27,600	19,000	25,600	17,500	40,800 <sup>3)</sup>	23,800 <sup>3)</sup>	27,800 <sup>3)</sup>	15,500 <sup>3)</sup>

1) Clarksons "Average MR Clean Earnings"

2) Clarksons: "Average Panamax Dirty Earnings"

3) Clarksons "Average Suezmax Long Run Historical Earnings"



## BUSINESS ACTIVITIES, CONT'D

Pool, controlled by Stena Bulk and the Angolan state oil company Sonangol. The pool is a long-time market leader in terms of suezmax tanker income. The market was strong in the fourth quarter, with rates significantly higher than in the previous quarter. Average income for *Stena Supreme* during the quarter was USD 27,633 per day. Average income for the full year was USD 25,600 per day, which was about 45 percent higher than in the previous year.

In addition to *Stena Supreme*, we also have a position in Stena Bulk's suezmax fleet corresponding to a 50 percent charter of one tanker. This vessel is also employed in the global open market in the Stena Sonangol Suezmax Pool. The contract runs until December 2015.

### Repairs and drydock

There were no repairs or drydock during the quarter.

### Newbuilding program

The newbuilding program, comprising the two product and chemical tankers (50,000 dwt) ordered in 2012, continued during the quarter, and delivery is now scheduled for the second and fourth quarters of 2015. The two vessels are part of a series being designed with Stena Bulk and Stena Weco, and they are being developed by Stena Teknik and Guangzhou Shipyard International in China. The concept is called IMO2MAX. The orders, which were placed during a low, favourable price situation, are the first step in our new investment in the future and an important part of our long-term process of expanding the fleet. The tankers will be among the most sophisticated in the market and at the forefront in terms of both energy efficiency and cargo flexibility. The plan is to employ them on the spot market within the framework of the cooperation with Stena Weco.

### EBITDA per quarter

USD millions	Q4 2014	Q3 2014	Q2 2014	Q1 2014	Q4 2013	Q3 2013	Q2 2013	Q1 2013
P-MAX, timecharter <sup>1)</sup>	0.4	0.4	1.6	2.6 <sup>4)</sup>	2.4	4.3	3.5	4.9
P-MAX, spot	4.4	2.2	0.5	3.7	-0.2	2.4	1.7	2.4
Panamax	0	0.0	11.9 <sup>5)</sup>	1.1	0.9	0.8	1.4	1.3
Suezmax	1.9	1.3	0.6	2.1	0.9	0.8	0.6	0.7
Admin. and other	-1.4	-1.1	-1.4	-1.5	-2.6 <sup>3)</sup>	-1.4	-1.3	-1.3
<b>Total</b>	<b>5.3<sup>2)</sup></b>	<b>2.8<sup>2)</sup></b>	<b>13.2<sup>2)</sup></b>	<b>8.0<sup>2)</sup></b>	<b>1.4</b>	<b>6.9</b>	<b>5.9</b>	<b>8.0</b>

1) 0% of accumulated income is attributable to profit sharing.

2) The company reports depreciation of drydock as an operating cost. This was SEK 3.4 million for Q1 2014, SEK 3.7 million for Q2, SEK 4.4 million for Q3 and SEK 2.2 million for Q4.

3) For Q4 2013, CEO termination benefits of USD 1.1 million are included.

4) Includes one-time payment of USD 1.3 million for redelivery of *Stena Progress*.

5) Includes one-time payment of USD 3.6 million for lost charter income in jointly-controlled entities: *Stena Poseidon* and *Palva*. Includes result from sale of shares in jointly-controlled entities (vessels) of USD 8.6 million.

## NEWBUILDING PRICES

### Product tankers



### Suezmax



At the end of December, the price of a standard product tanker was about USD 37 million. The price of an IMO2 class MR tanker like our IMO2MAX vessels on order was about USD 40 million. This is about 15 percent higher than when we placed our order with the shipyard in 2012. The price of a standard suezmax tanker at the end of the quarter was about USD 65 million.

The charts show the value at the end of each period and refer to standard vessels. Source: Clarkson



# FINANCIAL SUMMARY

## Equity

Equity per share was SEK 32.99 (27.07).

## 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. The accumulated exchange differences, which are recognised in equity, amounted to SEK 289.2 (29.4) million. The changes are recognised in equity through OCI.

The company has entered into interest rate swaps totalling USD 100 million to protect itself against interest rate fluctuations. They are structured in such a way as to cover approx. 30 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 -3.2 (-20.3) million. The change is recognised in the hedging reserve through OCI.

## Investments

Investments during the period January to December amounted to SEK 87.9 (64.7) million and the vast majority of this amount relates to advance payments for two IMO2MAX vessels. Delivery of the first of these is scheduled for April 2015.

## Impairment

The Group's assets are assessed on a six-monthly basis to determine whether there is any indication of impairment. The fleet is defined as a cash-generating unit, and an impairment loss is recognised when the carrying amount of an asset or cash-generating unit exceeds its recoverable amount. The recoverable amount is the higher of fair value (external valuations) and value in use (future discounted cash flows). An impairment loss of USD 60 million was recognised for the fleet on 30 June 2012. Impairment testing of asset values at 31 December 2014 did not indicate any impairment.

## The Group's total income and earnings

SEK millions	Quarter 4		Full year	
	2014	2013	2014	2013
Total income	125.7	95.7	531.2	467.8
Operating result	2.2	-27.0	56.4	0.4
Result after financial items	-12.7	-35.0	16.5	-39.0
Result per share after tax, SEK	-0.35	-0.64	0.18	-0.60

## Liquidity and financial position

SEK millions	31 Dec 2014	31 Dec 2013
Available liquid funds <sup>1)</sup>	233.5	242.1
Interest-bearing liabilities	2,038.9	1,994.0
Equity	1,574.7	1,292.3
Equity ratio, %	42.0	38.0

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









## FINANCIAL SUMMARY CONT'D

### Seasonal variations

At the end of the quarter, one vessel from our fleet of 11.5 vessels was chartered out on a fixed contract and 10.5 were employed on the open market, which means that income is affected by the seasonal variations that occur in tanker shipping.

### Employees

The number of employees in the Group at 31/12/2014 was 410 (394), 404 (388) of whom were seagoing employees.

### Financial investments

The bond portfolio was sold on 31 March 2014. The sale proceeds were received in early April. The bond portfolio was previously classified as an available-for-sale financial asset, meaning that it was measured at fair value with changes in value recognised in other comprehensive income and accumulated as a component of equity. This means that the cumulative effects of previous fair value changes are also transferred to financial net through OCI. The total value of the bond portfolio on the sale date, 31 March 2014, was USD 12.7 million

### Parent company

The parent company's sales for the fourth quarter amounted to SEK 1.5 (0.7) million. Intragroup invoicing represented SEK 0.7 (0.6) million of this amount. The parent company's result before tax for the period January to December was SEK -67.1 (69.9) million. The parent company's available liquid funds amounted to SEK 1,615.9 (1,434.8) million, which includes receivables from Group companies in the cash pool and unutilised credit facilities.

### Demand for damages

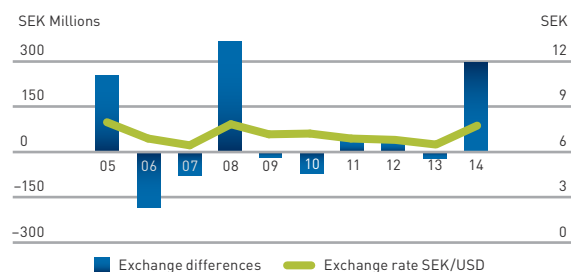
In July 2013, the vessel owner received an application for arbitration for the damage the customer believes the company has caused them in connection with *Stena Primorsk's*

grounding in the Hudson River in December 2012 and the company's decision to stop operating the vessel in this shipping channel. In July 2013, the customer requested that the matter be settled by arbitration in the United States. The vessel owner strongly rejects the claim of approx. USD 21 million and is preparing for arbitration. The case is currently in a discovery phase, which means that both parties' standpoints and demands are being examined carefully. The company's fees for legal and similar assistance regarding this matter are charged to the company's earnings as incurred.

### Sale of investments in jointly-controlled entities

In the first quarter of 2014, a process was initiated for the sale of *Stena Poseidon* and *Palva*, owned with Neste in jointly-controlled entities. Sales contracts were signed in March 2014 and the two vessels were delivered at the end of April and the beginning of May. Investments in joint ventures were previously accounted for using proportionate consolidation. The result of the sale is classified as "Result from sale of investments in jointly-controlled entities" in the consolidated income statement and cash flow statement.

### Exchange differences in other comprehensive income



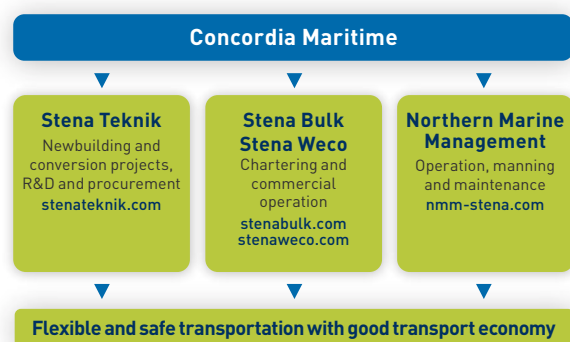
As a result of the SEK/USD exchange rate, the company's profit in SEK has changed, while profit in USD remains unchanged.



# OTHER INFORMATION

## Related party transactions

Concordia Maritime has a small internal organisation, and purchases services from related-party companies in Stena Sphere, which include Stena Bulk. The latter company conducts tanker business that 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.

## Stena Weco

At the beginning of April 2011, Stena Bulk and the Danish company Weco started a 50-50 joint venture which resulted in a newly established company, Stena Weco, specialising in the transportation of vegetable oils.

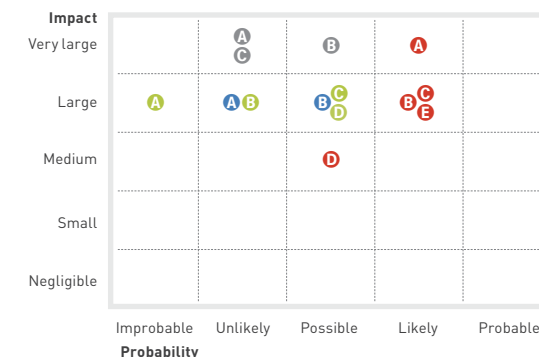
Under a new agreement with Stena Bulk, Concordia Maritime is entitled to the financial result arising from vessels that may from time to time be chartered in by Stena Weco for a period of more than one year, should Concordia Maritime decide to participate in such charters. Other business generated by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

## Concordia Maritime purchases services on a regular basis from the 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.
  - Commercial operation, 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 newbuild 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 annual price is charged.
- All related party transactions take place on commercial terms and at market-related prices.

## Risks and uncertainties

	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 risks
	E War/instability
<b>3. Operational risks</b>	A Insurance issues
	B Environment
	C Ship operation
<b>4. Credit risks</b>	A Counterparty risks – customer
	B Counterparty risks – shipyards and partners



Further information can be found in the 2013 annual report.



## GROUP

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

SEK millions	Quarter 4 2014	Quarter 4 2013	Full year 2014	Full year 2013
<b>CONSOLIDATED INCOME STATEMENT</b>				
Average exchange rate SEK/USD	7.42	6.51	6.86	6.51
Time charter income	15.7	35.9	119.4	226.2
Spot charter income	107.0	59.7	351.2	241.4
Result from sale of investments in jointly-controlled entities	0	0	57.4	0
Other external income	3.1	0.1	3.2	0.2
<b>Total income</b>	<b>125.7</b>	<b>95.7</b>	<b>531.2</b>	<b>467.8</b>
Operating costs, ships	-31.3	-31.0	-137.0	-132.1
Personnel costs, seagoing	-37.3	-31.7	-138.0	-130.8
Other external costs	-11.7	-12.0	-38.0	-38.4
Personnel costs, land-based	-4.9	-11.8	-17.0	-21.8
Depreciation	-38.4	-36.2	-144.7	-144.3
<b>Total operating costs</b>	<b>-123.6</b>	<b>-122.7</b>	<b>-474.8</b>	<b>-467.4</b>
<b>Operating result</b>	<b>2.2</b>	<b>-27.0</b>	<b>56.4</b>	<b>0.4</b>
Interest and similar income	0.1	2.1	5.6	8.3
Interest and similar expense	-15.0	-10.1	-45.4	-47.7
<b>Financial net</b>	<b>-14.9</b>	<b>-8.0</b>	<b>-39.8</b>	<b>-39.4</b>
<b>Result before tax</b>	<b>-12.7</b>	<b>-35.0</b>	<b>16.5</b>	<b>-39.0</b>
Tax	-3.9	4.2	-7.8	10.2
<b>Result after tax</b>	<b>-16.6</b>	<b>-30.8</b>	<b>8.7</b>	<b>-28.8</b>
<b>Other comprehensive income</b>				
Items that have been/can be transferred to result for the period				
Translation differences	116.0	19.2	259.8	-1.3
Equity hedges	0	0	0	0
Available-for-sale financial assets	0	-0.1	-3.2	-1.5
Cash flow hedges, currency-related	0	0.7	0	-1.7
Cash flow hedges, interest-related	4.6	2.2	17.1	19.1
Tax attributable to items that have been/can be transferred to result for the period	2.2	0.8	0	-0.4
<b>Comprehensive income for the period</b>	<b>106.2</b>	<b>-8.0</b>	<b>282.4</b>	<b>-14.6</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	-0.35	-0.64	0.18	-0.60
Equity per share, SEK	32.99	27.07	32.99	27.07

## GROUP

# CONDENSED BALANCE SHEET

SEK millions	31 Dec 2014	31 Dec 2013
Closing exchange rate SEK/USD	7.81	6.51
<b>Assets</b>		
Ships and equipment	3,129.7	2,915.6
Ships under construction	205.8	100.5
Financial assets	0.8	9.4
<b>Total non-current assets</b>	<b>3,336.3</b>	<b>3,025.5</b>
Current receivables	242.9	193.3
Short-term investments	0	81.7
Cash and bank balances	136.6	106.0
<b>Total current assets</b>	<b>379.5</b>	<b>381.0</b>
<b>Total assets</b>	<b>3,715.8</b>	<b>3,406.5</b>
<b>Equity and liabilities</b>		
Equity	1,574.7	1,292.3
Non-current liabilities	2,013.9	1,862.7
Current liabilities	127.2	251.5
<b>Total equity and liabilities</b>	<b>3,715.8</b>	<b>3,406.5</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 2014</b>							
Opening balance 01.01.2014	381.1	61.9	29.4	-20.3	3.2	836.3	1,292.3
Comprehensive income for the period			259.9	17.1	-3.2	8.6	282.4
Dividend							
<b>Closing balance 31.12.2014</b>	<b>381.1</b>	<b>61.9</b>	<b>288.3</b>	<b>-3.2</b>	<b>0</b>	<b>844.9</b>	<b>1,574.7</b>
<b>Changes Jan–Dec 2013</b>							
Opening balance 01.01.2013	381.8	61.9	30.6	-37.2	4.7	889.0	1,330.8
Comprehensive income for the period			-1.2	16.9	-1.5	-28.8	-14.6
Dividend						-23.9	-23.9
<b>Closing balance 31.12.2013</b>	<b>381.8</b>	<b>61.9</b>	<b>29.4</b>	<b>-20.3</b>	<b>3.2</b>	<b>836.3</b>	<b>1,292.3</b>





## GROUP

# CONDENSED CASH FLOW STATEMENT

SEK millions	Quarter 4 2014	Quarter 4 2013	Full year 2014	Full year 2013
<b>Operating activities</b>				
Result before tax	-12.7	-35.0	16.5	-39.0
Adjustments:				
Depreciation	33.1	39.8	150.5	160.4
Result from sale of securities	-0.1	-0.5	-4.0	-1.8
Result from sale of investments in jointly-controlled entities	-1.5	0	-58.9	0
Other items	15.2	8.9	17.7	4.5
<b>Cash flow from operating activities before changes in working capital</b>	<b>34.0</b>	<b>13.2</b>	<b>121.8</b>	<b>124.1</b>
Changes in working capital	-10.8	-15.0	-36.2	-87.7
<b>Cash flow from operating activities</b>	<b>23.2</b>	<b>-1.8</b>	<b>85.6</b>	<b>36.4</b>
<b>Investing activities</b>				
Investment in non-current assets	-54.0	-30.2	-87.9	-64.7
Investment in financial assets	0	0	0	-34.3
Sale of financial assets	2.4	4.5	90.2	46.4
Sale of investments in jointly-controlled entities	6.3	0	237.6	0
<b>Cash flow from investing activities</b>	<b>-45.3</b>	<b>-25.7</b>	<b>239.9</b>	<b>-52.6</b>
<b>Financing activities</b>				
New loans	104.3	56.4	117.2	156.2
Amortisation of loans	-33.1	-51.3	-434.9	-154.5
Dividend to shareholders	0	0.0	0	-23.9
<b>Cash flow from financing activities</b>	<b>71.2</b>	<b>5.1</b>	<b>-317.7</b>	<b>-22.2</b>
Cash flow for the period	49.1	-22.4	7.8	-38.4
Balance at beginning of period (Note 1)	71.4	129.9	106.0	144.4
Exchange differences (Note 2)	16.1	-1.5	22.8	0.0
<b>Balance at end of period (Note 1)</b>	<b>136.6</b>	<b>106.0</b>	<b>136.6</b>	<b>106.0</b>
Note 1. Balance consists of cash, bank balances and credit facility				
Note 2. Exchange differences attributable to:				
Cash and cash equivalents at beginning of year	0.0	0.1	0.0	0.1
Cash flow for the period	16.1	-1.6	22.8	-0.1
	<b>16.1</b>	<b>-1.5</b>	<b>22.8</b>	<b>0.0</b>



# QUARTERLY OVERVIEW

SEK millions	Quarter 4 2014	Quarter 3 2014	Quarter 2 2014	Quarter 1 2014	Quarter 4 2013	Quarter 3 2013	Quarter 2 2013	Quarter 1 2013
<b>Profit/loss items</b>								
Total income	125.7	104.0	166.2	135.2	95.7	125.4	118.8	127.9
Operating costs excluding impairment	-123.6	-117.9	-114.0	-119.3	-122.7	-116.2	-116.3	-112.2
Operating result (EBIT)	2.2	-13.9	52.2	15.9	-27.0	9.2	2.5	15.7
of which result from sale of investments in jointly-controlled entities (vessels)	—	—	56.1	—	—	—	—	—
Financial net	-14.9	-9.2	-10.1	-5.7	-8.0	-10.3	-11.1	-10.0
Result after financial items	-12.7	-23.1	42.1	10.2	-35.0	-1.1	-8.6	5.7
Result after tax	-16.6	-27.0	40.1	12.2	-30.8	0.6	-6.2	7.6
Cash flow from operating activities	34.0	23.8	21.9	42.1	13.2	28.3	42.7	39.9
EBITDA	40.5	22.3	86.5	51.7	9.2	45.5	38.8	51.2
<b>Balance-sheet items</b>								
Ships (number)	3,129.7 (11)	2,944.9 (11)	2,769.6 (11)	2,708.6 (12)	2,915.6 (12)	2,905.4 (12)	3,089.6 (12)	3,028.2 (12)
Ships under construction (number)	205.8 (2)	142.0 (2)	130.8 (2)	102.0 (2)	100.5 (2)	75.1 (2)	53.5 (2)	50.5 (2)
Liquid funds incl. investments	136.6	71.4	94.2	211.8	187.7	215.0	256.3	204.2
Other assets	243.7	261.6	182.2	364.6	202.7	185.6	176.0	169.7
Interest-bearing liabilities	2,038.9	1,792.2	1,669.0	1,970.6	1,994.0	1,959.9	2,080.8	1,992.8
Other liabilities and provisions	102.2	152.7	111.3	112.0	120.2	120.9	133.2	116.7
Equity	1,574.7	1,474.9	1,396.5	1,304.4	1,292.3	1,300.3	1,361.4	1,343.1
Total assets	3,715.8	3,419.8	3,176.8	3,387.0	3,406.5	3,381.1	3,575.4	3,452.6
<b>Key ratios, %</b>								
Equity ratio	42	43	44	39	38	38	38	39
Return on total capital	2	1	0	2	-3	1	0	2
Return on capital employed	2	1	0	2	-3	1	0	2
Return on equity	1	0	0	4	-9	1	0	2
Operating margin	2	-13	31	12	-28	7	2	12
<b>Share data</b>								
Total income	2.63	2.18	3.48	2.83	2.00	2.63	2.49	2.68
Operating costs excluding impairment	-2.59	-2.47	-2.39	-2.50	-2.57	-2.43	-2.44	-2.35
Operating result before impairment	0.05	-0.29	1.09	0.33	-0.57	0.19	0.05	0.33
Financial net	-0.31	-0.19	-0.21	-0.12	-0.17	-0.22	-0.23	-0.21
Result after tax	-0.48	-0.57	0.84	0.26	-0.64	0.01	-0.13	0.16
Cash flow	-5.76	0.50	0.46	0.88	0.28	0.59	0.89	0.84
EBITDA	0.85	0.47	1.81	1.08	0.19	0.95	0.81	1.07
Equity	32.99	30.90	29.26	27.33	27.07	27.24	28.52	28.14

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 2014	Full year 2013
Net sales	2.0	0.8
Other external costs	-15.4	-14.3
Personnel expenses	-12.6	-17.6
<b>Operating result</b>	<b>-26.0</b>	<b>-31.1</b>
Result from subsidiaries	0	108.0
Other interest and similar income	12.8	16.2
Interest and similar expense	-53.9	-23.2
<b>Result before tax</b>	<b>-67.1</b>	<b>69.9</b>
Tax	0	6.7
<b>Result for the period</b>	<b>-67.1</b>	<b>76.6</b>

SEK millions	31 Dec 2014	31 Dec 2013
<b>Assets</b>		
Ships and equipment	0.1	0.1
Financial assets	34.3	34.3
Investments in Group companies	745.8	745.8
<b>Total non-current assets</b>	<b>780.2</b>	<b>780.2</b>
Current receivables	2.8	2.2
Receivables from Group companies	1,399.6	1,395.7 <sup>1)</sup>
Cash and bank balances	119.4	11.0 <sup>1)</sup>
<b>Total current assets</b>	<b>1,521.9</b>	<b>1,408.9</b>
<b>Total assets</b>	<b>2,302.1</b>	<b>2,189.1</b>
<b>Equity and liabilities</b>		
Equity	536.7	603.8
Non-current liabilities	1,753.8	1,473.1
Current liabilities	11.5	112.2
<b>Total equity and liabilities</b>	<b>2,302.1</b>	<b>2,189.1</b>
Pledged assets	68.1	65.1
Contingent liabilities <sup>1)</sup>	272.5	281.2

1) The parent company has provided a guarantee for a subsidiary, which relates to vessel financing.

The Concordia Maritime Group applies International Financial Reporting Standards (IFRS) as adopted by the EU. The Group applies the same accounting policies and calculation methods in the quarterly reports as in the annual report for 2013, in addition to those described in this report.

The Group's interim 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. The report provides a true and fair overview of the operations, financial position and performance of the parent company and Group, and describes material risks and uncertainties faced by the Group. The report has not been reviewed by the company's auditors.

Gothenburg, 19 February 2015

Carl-Johan Hagman	Stefan Brocker	Daniel Holmgren
<i>Chairman</i>	<i>Deputy Chairman</i>	
Mats Jansson	Helena Levander	Jörgen Lorén
Michael G:son Löw	Morten Chr. Mo	Dan Sten Olsson
	Kim Ullman	
	<i>CEO</i>	

## 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 of the Swedish Annual Accounts Act. For the Group and parent company, the same accounting principles and computation methods have been applied as in the most recent annual report.

### Non-current assets held for sale

A non-current asset or disposal group classified as held for sale means that its carrying amount will be recovered principally through sale rather than through continuing use. An asset is classified as held for sale if it is available

for immediate sale in its present state and based on conditions that are normal, and the sale is highly probable. These assets or disposal groups are reported on a separate line as a current asset or a current liability in the balance sheet.

Immediately before classification as held for sale, the carrying amount of the asset and all assets and liabilities in a disposal group will be measured in accordance with applicable standards. On initial classification as held for sale, non-current assets are measured at the lower of their carrying amount and fair value less costs to sell. Losses resulting from a decline in value on initial classification as held for sale are recognised in profit or loss. Subsequent changes in value, both gains and losses, are recognised in profit or loss for the year.

## 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 equity** Result after taxes an average of the last twelve months expressed as a percentage of average equity on a 12-month rolling basis.

**Return on total capital** Result after financial net plus finance costs as an average of the last twelve months expressed as a percentage of average total assets on a 12-month rolling basis.

**Return on capital employed** Result after financial net plus finance costs as an average of the last twelve months expressed as a percentage of average capital employed on a 12-month rolling basis. Capital employed refers to total assets minus non-interest-bearing liabilities, including deferred tax liability.

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

**Spot charter (open market)** Hiring of vessels on a voyage-by-voyage basis.

**Time charter** Hiring of vessels for a specified period at a fixed rate.

## INFORMATION AND CONTACT

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 19 February 2015, at approx. 2.30 pm.

### Reports and information

AGM and Q1 Interim Report  
Q2 Interim Report  
Q3 Interim report

28 April 2015  
13 August 2015  
11 November 2015

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