OUR POSITION

INTERIM REPORT FOR CONCORDIA MARITIME AB (PUBL) 1 JANUARY – 30 JUNE 2007

The product tanker market was strong throughout the first half of the year and the segment generated a strong cash flow, which exceeded expectations. A new agreement signed with TOTAL for additional time charters totalling 9 years. The large tanker *Stena Vision* has re-entered service.

- Net sales: SEK 224.7 (153.3) million
- Profit after tax: SEK 22.5 (18.7) million
- Profit after tax per share SEK 0.47 (0.39)
- Healthy cash flow and profit for product tanker segment
- A one-time cost of SEK 9.8 million relating to the large tanker segment has been charged to the result for the first six months following the final settlement of a dispute together with a cost of SEK 17.9 million in connection with the repair of the *Stena Vision*
- New forecast for 2007: profit of SEK 65 million before tax (previous forecast: SEK 80 million) corresponding to SEK 1.36 per share (previous forecast: SEK 1.68)




CONCORDIA
MARITIME

Concordia Maritime is an international tanker shipping company listed on the OMX Nordic Exchange in Stockholm. The company has ordered ten vessels, which are being built in accordance with the MAX concept. 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

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

Presidents Views

"The product tanker market was strong throughout the first half of 2007. The segment generated a strong cash flow, which exceeded expectations."

THE PRODUCT TANKER MARKET was strong throughout the first half of 2007. For Concordia Maritime, this means that the product tanker segment generated a strong cash flow, which exceeded expectations. The demand for crude oil and refined products has remained at a high level throughout the world. Low petrol stocks in the US and the subsequent need for imports have, for example, resulted in at times very high freight rates for transatlantic voyages.

The market seems to be absorbing the large number of new vessels delivered. Both shipbuilding prices and prices on the second-hand market for tankers continue to be high. This means that the value of the vessels in our newbuilding series so far delivered, four P-MAX tankers and a 50% share of two Panamax tankers, exceeds their book value by a healthy margin.

Despite the healthy figures reported for the product tanker segment, we have lowered our full-year forecast from SEK 80 million to SEK 65 million, primarily as a result of the costs in conjunction with the repairs made to the large tanker *Stena Vision*. This vessel re-entered service on 24 June and is functioning well. The repairs required were both complex and time-consuming.

Another P-MAX tanker has been chartered to the French oil and energy company TOTAL. The vessel, the *Stena Progress,* is number 7 in the series and will be delivered from the shipyard at the end of 2009. The charter runs for five years, until the end of 2014. At the same time, the charters for the sister ships *Stena Paris* and *Stena Provence* were each extended for a further two years. This agreement and the cash flows it will generate will create the conditions for additional investments and expansion.

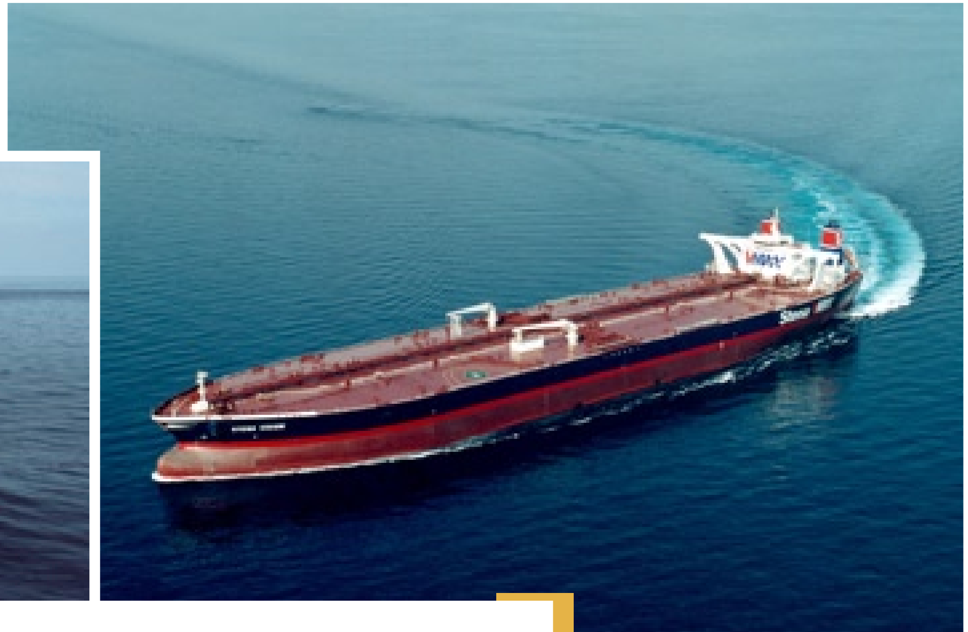
The first P-MAX tanker was delivered in December, 2005, and in the relatively short time since then, this ship design has proved to be very successful in the market and on different trades. TOTAL has now time-chartered four vessels in the series. We are proud of this collaboration and regard it as proof of the strength of the MAX concept in general and the P-MAX design in particular.

Together with Stena, we are working on additional projects within the framework of the MAX concept; these include the so-called B-MAX tanker. This vessel will be optimised for service in the Baltic Sea. A B-MAX tanker will be able to transport as much cargo as two standard tankers today. This is good, not only in terms of transport economy but also from the perspective of safety. Traffic intensity and crowded shipping lanes mean that the potential risks are greater than the amount of oil transported in each individual tanker. Moreover, since the B-MAX tanker would be built completely in accordance with the MAX concept, i.e. double safety, double steering gear, double main engines, etc., it will be very suitable for operation in these waters.

To summarise – the large tanker *Stena Vision* has re-entered service. The product tanker segment, with the P-MAX tankers, is performing well and the value of our assets is good.

Until we can present new investments, existing profitable contracts and good cash flows will ensure the continued stable development of the company.

Hans Norén, President



Concordia Maritimes’ fleet

Class	Vessel	Year	dwt	Employment (on delievery)
P-MAX	*Stena Paris*	2005	65,200	TOTAL, 5 + 2 years
	Stena Provence	2006	65,200	TOTAL, 5 + 2 years
	Stena Primorsk	2006	65,200	Argo Shipping, 10 years
	Stena Performance	2006	65,200	Hess, 5 years
	Stena President	2007	65,200	Argo Shipping, 10 years, delivery Q3, 2007
	Stena Perros	2008	65,200	TOTAL, 5 years, delivery Q1, 2008
	Stena Progress	2009	65,200	TOTAL, 5 years, delivery Q4, 2008
	Stena Polaris	2009	65,200	Open, delivery Q4, 2009
	Stena Penguin	2010	65,200	Open, delivery Q4, 2010
	Stena Premium	2010	65,200	Open, delivery Q4, 2009
Panamax	*Stena Poseidon* (50%)	2007	74,500	Neste Shipping, 10 years
	Palva (50%)	2007	74,500	Neste Shipping, 10 years
V-MAX	*Stena Vision*	2001	313,000	Time-chartered out until end of 2010
	Stena Victory	2001	313,000	Time-chartered out until end of 2009
			1,427,000	

Summary of business activities

PRODUCT TANKERS

During the first half of 2007, four P-MAX tankers were in operation – the *Stena Paris* and *Stena Provence* for TOTAL, the *Stena Performance* for Hess and the *Stena Primorsk* for Argo Shipping. These vessels performed well during this period.

During the second quarter, a 5-year charter agreement covering a further P-MAX tanker, the *Stena Progress*, was signed together with 2-year extensions of the charters of the *Stena Paris* and the *Stena Provence*. This means that TOTAL now has four vessels signed to charters totalling 24 years.

The two Panamax tankers *Stena Poseidon* and *Palva* which Concordia Maritime owns in a joint venture with Neste Shipping, were delivered in the first quarter. Both vessels have performed well, and have mainly been employed in the transatlantic traffic from Neste Oil's refinery in Borgå, Finland.

The newbuilding program is proceeding according to plan. The *Stena President* was launched during the second quarter and delivery is set for the third quarter of 2007. The next vessel in the series, the *Stena Perros,* which will sail for TOTAL, has also been launched. The *Stena Perros* is expected to be delivered around the end of 2007.

The good market is reflected in the result posted by the segment, which generated an EBITDA of SEK 84.8 million (corresponding to USD 12.2 million, see segment reporting on page 7).

Large tankers/VLCC

Concordia Maritime has time-chartered two V-MAX VLCCs, the *Stena Vision* and the *Stena Victory*, from Arlington Tankers Ltd. since November, 2004. These charters expire at the end of 2009. When their current charters with Sunoco expire at the end of 2007 and 2008, respectively, the vessels will enter charters with Lukoil. Concordia Maritime has options on three 1-year extensions when the time charters from Arlington Tankers and the charters to Lukoil expire in 2009. The charters to Lukoil include an option on a 1-year extension.

The *Stena Vision's* damaged reduction gear was repaired at the end of June and the vessel has re-entered service. The complexity of the parts and manufacturing problems caused further delays and, as a result, costs approx. SEK 10.1 million have been charged to the second quarter accounts. A total of SEK 17.9 million has been charged to the accounts for the first six months of 2007. The damage to the reduction gear has cost the company SEK 27.9 million (including SEK 10.0 million relating to the second half of 2006). The *Stena Vision* has been out of service for 13 months. In accordance with the terms of the time-charter contract with the US company Sunoco, the charter has also been extended 13 months, which means that the *Stena Vision* will begin sailing for Lukoil at the end of 2008.

As a result of the agreement reached in the first quarter in the dispute between Concordia Maritime and Halliburton concerning the sale of a vessel in 2000, SEK 9.8 million has been charged to the segment's operating result.

The market

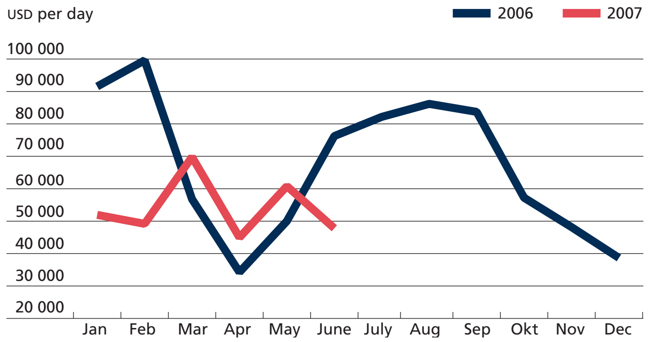
PRODUCT TANKER During the second quarter, the product tanker market continued to surprise the pundits and analysts. Freight rates are well over last year's levels and the levels at which they were traded on the forward market at the beginning of 2007. One important factor is the low petrol stocks, which have resulted in higher imports of petrol from Europe to the US. This, in turn, has increased the demand for product tankers.

LARGE TANKERS/VLCC After a relatively weak beginning, the market for VLCCs finished the first quarter on a strong note. The second quarter began with a decline from the high levels in March but then recovered in April/May. The freight rates in the second quarter were above the 5-year average for the segment.

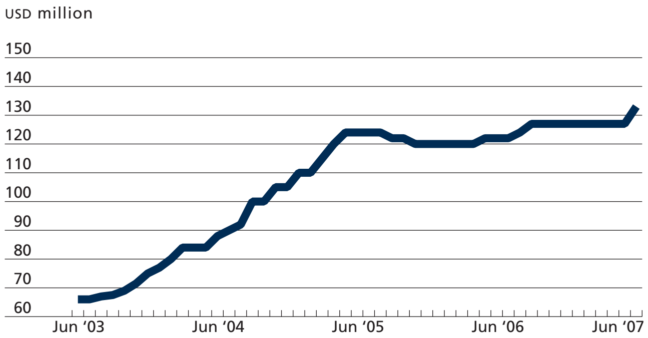
SHIPBUILDING MARKET Shipbuilding prices continue to rise. VLCC prices are currently in the region of USD 135 million while, as reported earlier, prices of MR tankers are being quoted at about USD 50 million with delivery in 2011.

The second-hand market continues to be strong, particularly for modern tonnage. A standard MR tanker is valued at USD 45–55 million on the second-hand market. P-MAX tankers, with their unique design and, among other things, substantially larger cargo intake, should not be compared with standard tonnage. External shipbrokers' valuations are in the region of USD 60–70 million.

Earnings VLCC

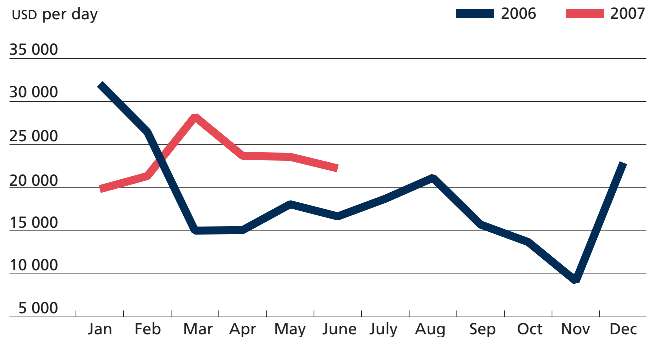


Shipyard Prices VLCC

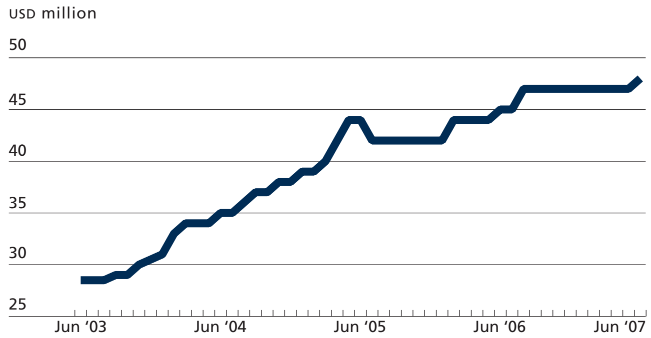


Source: Fearnleys

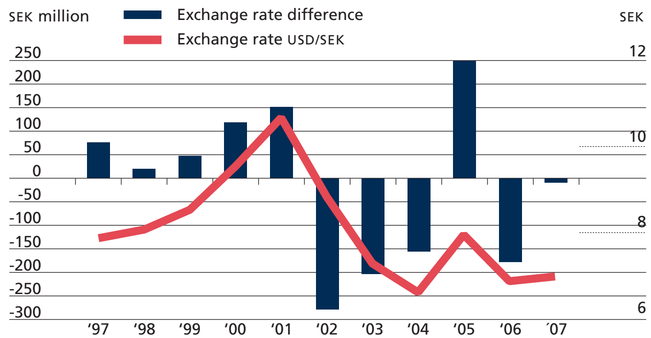
Earnings MR



Shipyard Prices MR



Equity



Financial Summary

SALES AND RESULT Sales amounted to SEK 224.7 (153.3) million. The result after financial items was SEK 15.6 (23.0) million. The result after tax was SEK 22.5 (18.7) million, which corresponds to a profit per share after tax of SEK 0.47 (0.39).

Second quarter

Sales during the second quarter amounted to SEK 106.6 (80.6) million. The result after financial items was SEK 10.4 (4.7) million. The result after tax was SEK 17.3 (3.6) million, which corresponds to a profit per share of SEK 0.36 (0.08).

Segment reporting

	Large tanker	Product tanker	Others	Total
Total income	83.6	141.1		**224.7**
EBITDA	-33.6	84.8		**51.2**
Distribution of costs [1]	-1,0	-7.5	-6.2	**-14.7**
Depreciation	-0.6	-27.0		**-27.6**
Operating result	-35.2	50.3	-6.2	**8.9**

[1] Distribution of the portion of personnel costs and other external costs not directly related to ship operation, i.e. Overhead cost.

LIQUIDITY AND FINANCING The Group's disposable liquid funds, including unutilised credit facilities, amounted to SEK 407.8 (31-12-2006: 493.8) million on 30 06 2007.

INVESTMENTS Investments during the first six months amounted to SEK 375.9 million and consist of advance payments to the shipyard and project costs relating to the vessels on order.

EQUITY Equity per share is SEK 34.94 (34.32). The SEK/USD exchange rate on 30-06-2007 was 6.85 (31-12-2006: 6.87). The increase in value of the SEK in the SEK/USD exchange rate since the beginning of the year has reduced equity by SEK 8.8 (-111.7) million, which corresponds to SEK -0.18 (-2.34) per share. A total of USD 135 million has been hedged against SEK. This amount comprises about half of equity. The accumulated exchange rate differences, including the effects of hedging, recorded directly to equity amount to SEK -164.8 (-90.0) million.

In conjunction with the order for a further 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 18.0 million and the total amount is now SEK 33.4 (-0.7) million.

Securities and short-term investments

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 30-06-2007 was USD 28.68 (31-12-2006: USD 23.37). The holding has been valued at its market value in the balance sheet.

SHORT-TERM INVESTMENTS Total short-term investments amounted to SEK 428.5 (624.3) million on 30-06-2007. The holdings have been valued at their fair value in the balance sheet and changes in value of SEK -5.2 (-16.4) million are included in the result for the period.

PARENT COMPANY The Parent Company's sales totalled SEK 26.2 (4.4) million. Intergroup invoicing accounted for SEK 0.0 (0.4) million of this amount. The result after financial items was SEK -28.3 (41.3) million. The Parent Company's disposable liquid funds, including unutilised credit facilities, amounted to SEK 293.2 million.

The Annual General Meeting on 26 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 7 May, 2007. The meeting re-elected the board members and elected Stefan Brocker as a new member of the board. A new auditor for the Parent Company and the Group, Johan Kratz from KPMG, was also elected.

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

Forecast for 2007

In 2007, Concordia Maritime will take delivery of a further vessel. By the end of the year, the fleet will consist of five P-MAX and two Panamax tankers. For 2007 as a whole, the market expects freight rates to fall somewhat from their average level in 2006. The forecast for 2007: a profit before tax of SEK 65 million (previous forecast: SEK 80 million). This corresponds to SEK 1.36 per share (previous forecast: SEK 1.68). Cash flow (EBITDA) is expected to amount to about SEK 120 million. This means that freight rates are expected to be somewhat lower during the rest of 2007 compared with the first half of the year.

Information about risks and uncertainty factors

Shipping is a highly cyclical business. The demand for shipping oil 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 down in the long term is difficult. Freight rates on the spot market normally fluctuate more than the rates in the futures market. With a large part of the fleet signed to long-term charters, Concordia Maritime's exposure to changes in freight rates, from a 5-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 2006.

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 interim report for the first nine months will be published on 19 October and the financial statement for the full year on 19 February, 2008. 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.

The six-month 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 companies that belong to the Group.

Gothenburg 14 August 2007
CONCORDIA MARITIME AB (publ)

Per Bjurström	Stefan Brocker	Bert Åke Eriksson	Mats Jansson
C. Mikael von Mentzer (Deputy Chairman)	Morten Chr. Mo	Hans Norén (President)	Dan Sten Olsson (Chairman)
Jens Ole Hansen		Jörgen Lorén	

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

Group income statement

(SEK million)	**2nd quarter 2007**	2nd quarter 2006	**6 months 2007**	6 months 2006	Full Year 2006
Average exchange rate SEK/USD	**6.88**	7.40	**6.94**	7.59	7.38
Net Sales	**106.6**	80.6	**224.7**	153.3	381.2
Total Income	**106.6**	80.6	**224.7**	153.3	381.2
Ships Operating Costs	**-64.2**	-63.1	**-139.2**	-121.0	-251.6
Seagoing personnel costs	**-11.2**	-4.0	**-22.4**	-6.5	-27.4
Other External Costs	**-6.4**	-7.6	**-20.9**	-12.6	-53.5
Personnel Costs	**-1.9**	-1.5	**-5.7**	-4.1	-10.0
Depreciation	**-14.3**	-7.3	**-27.6**	-10.8	-34.0
Total Operating Costs	**-98.0**	-83.5	**-215.8**	-155.0	-376.5
Operating result	**8.6**	-2.9	**8.9**	-1.7	4.7
Dividend	**6.1**	6.5	**12.2**	12.8	25.9
Interest income and similar profit/loss items	**10.3**	12.8	**22.7**	29.3	53.9
Interest expenses and similar profit/loss items	**-14.6**	-11.6	**-28.2**	-21.8	-36.3
Exchange rate differences	**–**	-0.1	**–**	4.4	4.3
Financial net	**1.8**	7.6	**6.7**	24.7	47.8
Result after financial net	**10.4**	4.7	**15.6**	23.0	52.5
Tax	**6.9**	-1.1	**6.9**	-4.3	-0.6
Net result after tax	**17.3**	3.6	**22.5**	18.7	51.9

Per-share data

(SEK)	**2nd quarter 2007**	2nd quarter 2006	**6 months 2007**	6 months 2006	Full Year 2006
Shares at end of period	**47 729 798**	47 729 798	**47 729 798**	47 729 798	47 729 798
Profit per share after tax SEK	**0.36**	0.08	**0.47**	0.39	1.09
Equity per share SEK	**34.94**	34.32	**34.94**	34.32	34.09

Group balance sheet

(SEK million)	**June 30 2007**	June 30 2006	December 31 2006
Closing exchange rate SEK/USD	**6.85**	7.26	6.87
Assets			
Ships and equipment	**1 333.0**	1 120.6	1 048.8
Ships under construction	**269.8**	140.8	222.3
Financial Assets	**310.3**	285.3	258.3
Total Fixed Assets	**1 913.1**	1 546.7	1 529.4
Current receivables	**197.6**	141.0	157.0
Short term investments	**428.5**	624.3	517.6
Cash and bank balances	**21.4**	–	30.2
Total Current Assets	**647.5**	765.3	704.8
Total Assets	**2 560.6**	2 312.0	2 234.2
Equity and Liabilities			
Equity	**1 667.8**	1 638.0	1 627.0
Long term provisions	**13.1**	33.0	19.6
Long term liabilities	**815.2**	537.9	528.2
Short term provisions	**13.0**	31.4	13.1
Short term liabilities	**51.5**	57.0	46.3
Short term credit facility	**–**	14.7	–
Total Equity and Liabilities	**2 560.6**	2 312.0	2 234.2

Traffic on the Baltic Sea is increasing. As a result, the demands for safe and environmentally friendly transportation are becoming increasingly exacting. The *Stena Poseidon* (Ice Class 1A) is designed to be able to sail in hard icy sea conditions.

Summary of group's cash flow analysis

(SEK million)	**2nd quarter 2007**	2nd quarter 2006	**6 months 2007**	6 months 2006	Full Year 2006
Cash flow from operations					
Result after financial net	**10.4**	4.8	**15.6**	23.0	52.5
Adjustment items:					
Depreciation according to plan	**14.3**	7.3	**27.6**	10.8	34.0
Income from sale of tangible fixed assets	**–**	–	**–**	1.0	0.5
Exchange differences	**–**	1.1	**–**	–	–
Other items	**0.4**	10.6	**1.4**	17.7	14.7
	25.1	23.8	**44.6**	52.5	101.7
Tax paid	**–**	-1.4	**–**	-1.4	-1.7
Cash flow from operating activities before changes in working capital	**25.1**	22.4	**44.6**	51.1	100.0
Change in working capital	**-7.5**	-3.3	**-21.0**	-8.4	-90.4
Cash flow provided by operating activities	**17.6**	19.1	**23.6**	42.7	9.6
Cash flow from investing activities					
Advance payments of projectcosts for ships under construction	**-85.3**	-464.2	**-375.9**	-694.3	-767.2
Investments in financial assets		-45.8		-248.4	-238.3
Sale of financial assets	**-0.8**	-3.2	**83.3**	131.0	198.3
Cash flow provided by investing activities	**-86.1**	-513.2	**-292.6**	-811.7	-807.2
Cash flow from financing activities					
New loan	**80.4**	364.3	**306.6**	528.7	539.4
Dividend to shareholders	**-47.7**	-47.7	**-47.7**	-47.7	-47.7
Other financing	**20.3**	2.2	**3.1**	3.1	71.8
Cash flow provided by financing activities	**53.0**	318.8	**262.0**	484.1	563.5
Cash flow for period	**-15.5**	-175.3	**-7.0**	-284.9	-234.1
Balance at beginning of period (Note 1)	**38.1**	166.7	**30.2**	280.4	280.4
Exchange rate differences (Note 2)	**-1.2**	-6.1	**-1.8**	-10.2	-16.1
Balance at end of period (Note 1)	**21.4**	-14.7	**21.4**	-14.7	30.2

Note 1. Balance consists of cash and bank balances					
Note 2. Exchange rate difference relate ro:					
Balance at the beginning of year	**0.7**	-19.6	**0.2**	-22.3	-34.6
Cash flow for the year	**-1.9**	13.5	**-2.0**	12.1	18.5
	-1.2	-6.1	**-1.8**	-10.2	-16.1

Changes in equity. group

(SEK million)	Share Capital	Restricted reserves	Translation reserve	Hedging reserve	Fair value reserve	Non-restricted equity	**TOTAL**
Changes January–June 2007							
Opening balance 01-01-2007	381.8	61.9	-156.0	15.4	35.5	1 288.4	**1 627.0**
Change in translation reserve	–	–	-8.8	-0.9	0.2	–	**-9.5**
Dividend to shareholders	–	–	–	–	–	-47.7	**-47.7**
Change in reserves	–	–	–	18.9	56.6	–	**75.5**
Result for the period	–	–	–	–	–	22.5	**22.5**
Closing balance 30-06-2007	381.8	61.9	-164.8	33.4	92.3	1 263.2	**1 667.8**
Changes January–June 2006							
Opening balance 01-01-2006	381.8	138.3	21.7	–	21.3	1 207.8	**1 770.9**
Change in translation reserve	–	–	-111.7	–	–	–	**-111.7**
Dividend to shareholders	–	–	–	–	–	-47.7	**-47.7**
Change in reserves	–	–	–	-0.7	8.5	–	**7.8**
Result for the period	–	–	–	–	–	18.7	**18.7**
Closing balance 30-06-2006	381.8	138.3	-90.0	-0.7	29.8	1 178.8	**1 638.0**

The *Stena Poseidon* in Brofjorden, Lysekil, for the first time.

Six-year summary

	30 June 2007	2006	2005	2004	2003	2002	2001
Profit/loss items (SEK million)							
Net sales	224.7	381.2	254.0	354.0	649.7	768.6	1 334.8
Operating costs	-215.8	376.5	312.0	271.2	575.7	877.9	1 043.6
Operating result	8.9	4.7	-1.8	729.4	58.9	-98.2	292.5
– of which profit/loss on ship sales	–	–	56.2	646.6	-15.1	11.1	1.5
Result after financial items	15.6	52.5	42.7	740.2	35.1	-142.4	251.9
Cash flow from operating activities	44.6	100.0	20.4	136.2	150.5	40.0	392.1
Balance-sheet items (SEK million)							
Ships	1 333.0	1 048.8	304.2	32.5	1223.9	1907.0	2 544.3
(Number of ships)	(5)	(4)	(1)	(1)	(4)	(6)	(9)
Ships under construction	269.8	222.3	384.7	128.0	55.4	–	–
(Number of ships)	(6)	(7)	(6)	(7)	(6)	–	–
Liquid funds	449.9	547.8	839.5	1254.1	40.3	115.2	263.0
Other assets	507.9	415.3	368.9	313.4	87.8	216.7	343.0
Interest-bearing liabilities	794.2	506.2	0.0	0.0	300.7	926.6	1 261.7
Other liabilities and provisions	98.6	101.0	126.4	111.2	80.2	159.3	295.4
Equity	1 667.8	1 627.0	1 770.9	1 616.8	1 026.5	1 153.0	1 593.2
Total assets	2 560.6	2 234.2	1 897.3	1 728.0	1 407.4	2 238.9	3 150.3
Key rations (percent)							
Equity ratio	65	73	93	94	73	51	51
Return on total capital	3	4	5	47	3	-4	11
Return on capital employed	3	5	5	49	3	-4	12
Return on equity	2	3	3	56	7	-11	16
Equity per share	34.94	34.09	37.10	33.87	21.51	24.16	33.38

Definitions: as in annual report 2006. Figures for 2001–2003 has not been recalculated according to IFRS.

Teleconference

A teleconference was held on 15 August, 2007, at which the Interim Report for January – June, 2007, was presented and questions answered.

A recording of the conference is available until 23 August.

Attending

Hans Norén, President
Göran Hermansson, Financial Manager

To listen to the recording:

Phone: +44 (0)20 7031 4064 or
+46 (0)8 505 203 33
Code: 759521 (available until 23 August)

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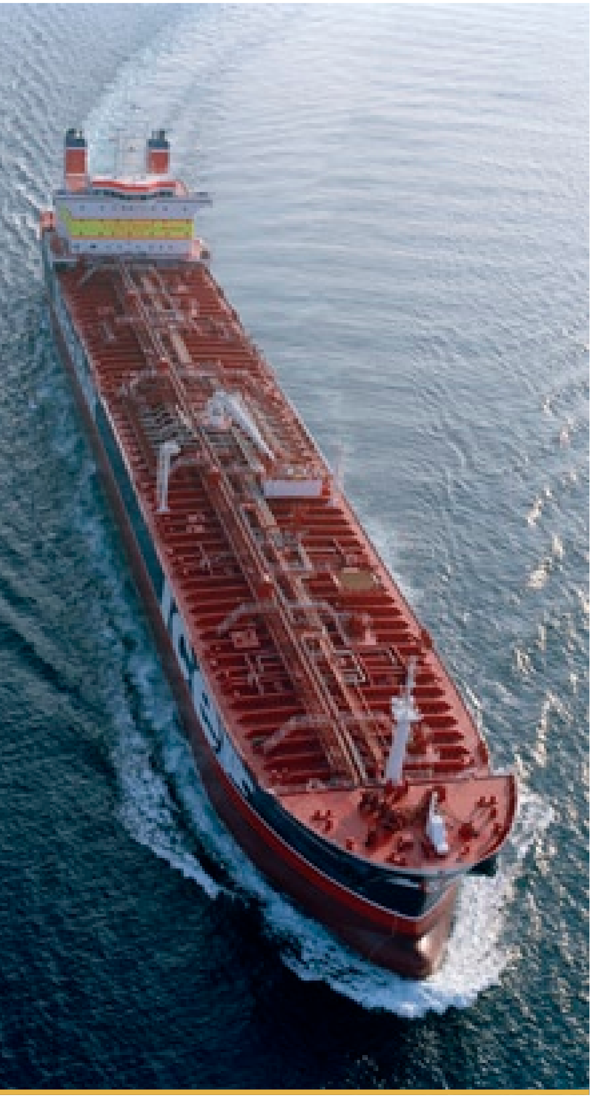
Income statement and balance sheet for parent company

Income statement

(SEK million)	30-06-2007	30-06-2006
Net sales	26.2	4.4
Ships operating costs	-6.4	-1.2
Seagoing personnel costs	-8.7	–
Other external costs	-6.9	-7.6
Personal costs	-5.1	-3.6
Depreciation	-9.3	-1.7
Total operating costs	**-10.2**	**-9.7**
Interest income and similar profit/loss items	10.3	64.8
Interest expenses and similar profit/loss items	-28.4	-13.8
Financial net	**-28.3**	**41.3**
Tax	7.3	-8.0
Net result after tax	**-21.0**	**33.3**

Balance sheet

(SEK million)	30-06-2007	30-06-2006
Assets		
Ships and equipment	444.1	464.0
Financial assets	8.9	23.4
Shares in group companies	754.2	754.2
Total fixed assets	1 207.2	1 241.6
Current receivables	11.9	56.0
Short term investments	71.6	82.9
Cash and bank balances	–	8.3
Total current assets	83.5	147.2
Total Assets	**1 290.7**	**1 388.8**
Equity and Liabilities		
Equity	600.6	625.5
Long term liabilites	558.1	505.5
Short term liabilites	38.6	257.8
Credit facility	93.4	–
Total equity and liabilities	**1 290.7**	**1 388.8**



The *Stena Poseidon* is one of two tankers built in a joint venture with Neste Oil.

Double rudders and propellers give a tighter turning radius – a major advantage when manoeuvring in narrow passages.

Concordia Maritime has worked with both proactive and reactive safety for many years, and the MAX concept is a concrete example of how an environmental and safety philosophy is applied as a fundamental principle already at the drawing-table stage. A double hull goes without saying. Additionally, our MAX vessels feature among other things, two engine rooms with complete fire and water integrity and two separate propulsion systems. This makes the MAX vessels among the safest product tankers in the world.

Proactive safety

Our way of working.

TOGETHER WITH STENA BULK, Stena Teknik and Northern Marine Management, we developed the MAX concept as a response to the market's and society's demands for economical, flexible and safe sea transport.

The basic idea behind the MAX tankers is to combine an advanced safety philosophy with the capacity to operate in narrow waters with a considerably larger cargo than was previously possible. To achieve this, the vessels have been made much wider than vessels in equivalent size classes. This increases cargo capacity but does not affect draft.

Twice as much – for safety's sake

What particularly distinguishes the MAX concept from a safety perspective is that the vessels are built with double systems for propulsion and manoeuvring. This design is a typical example of what we mean by proactive safety.

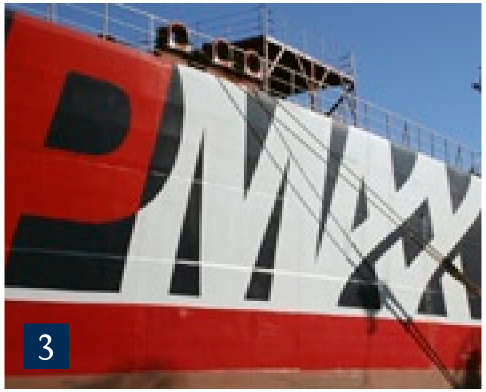
But it is a question of more than just risk reduction. By focusing on reactive safety, we also reduce the consequences of an incident. While developing the MAX concept, we mapped the potential risks and focused on dealing with important risk factors as early as possible in the course of events. With this in mind, we designed a bridge with a 360° view and equipped it with a co-pilot system. The double systems for propulsion and manoeuvring provide substantially improved manoeuvrability, which facilitates safe navigation.

MAXimum safety and flexibility

There are currently three ship types in the MAX concept: V-MAX, P-MAX and C-MAX, but other types are under development. The first two are represented in our fleet, which consists of two V-MAX tankers and ten P-MAX tankers in operation or under construction.

The first vessels to be built in accordance with this concept were the *Stena Vision* and the *Stena Victory*. Although they are designated as VLCCs in terms of size, they can load at least 20% more cargo than a conventional VLCC on certain trades.

The P-MAX tankers are probably among the safest tankers ever to be built in the product tanker segment's medium range (MR). Thanks to the hull design, their cargo capacity is so large that they can also be classified as small Panamax tankers.



Some distinctive features of the MAX concept

1. The bridge is equipped with a co-pilot system. This is a major advantage in terms of safety, but it also facilitates e.g. training and education.

2. Two separate engine rooms separated by a fireproof and watertight bulkhead.

3. Long-term epoxy-type corrosion protection prevents corrosion and extends fatigue life of the cargo and ballast tanks.

4. Full double hull. This means that all tanks not containing pure water – cargo, fuel and ballast tanks – are protected by the double hull.

5. The unique design of the hull and the divided after-peck mean that fuel economy and speed are as good or better than standard tonnage.

6. The bridge offers a 360° view and is equipped with the Integrated Bridge Control System, which enables manoeuvring and other critical operations to be carried out from the same position.

7. All control systems are separated and each engine has its own fuel system, which means that they function independently of each other.

8. Double main engines, propellers, steering gear and rudders. This results in both greater safety and improved manoeuvrability.

9. Committed and experienced personnel are vital. They undergo training that is both general and adapted to specific vessels.

A shortage, balance or surplus of transport capacity arise at irregular intervals and freight rates balloon – or plummet. The shipping industry is extremely cyclical. Consequently, we have focused on signing our vessels to long-term time charters in order to ensure a secure and stable return while we are building up our new fleet.

Economic safety
Our way of doing business

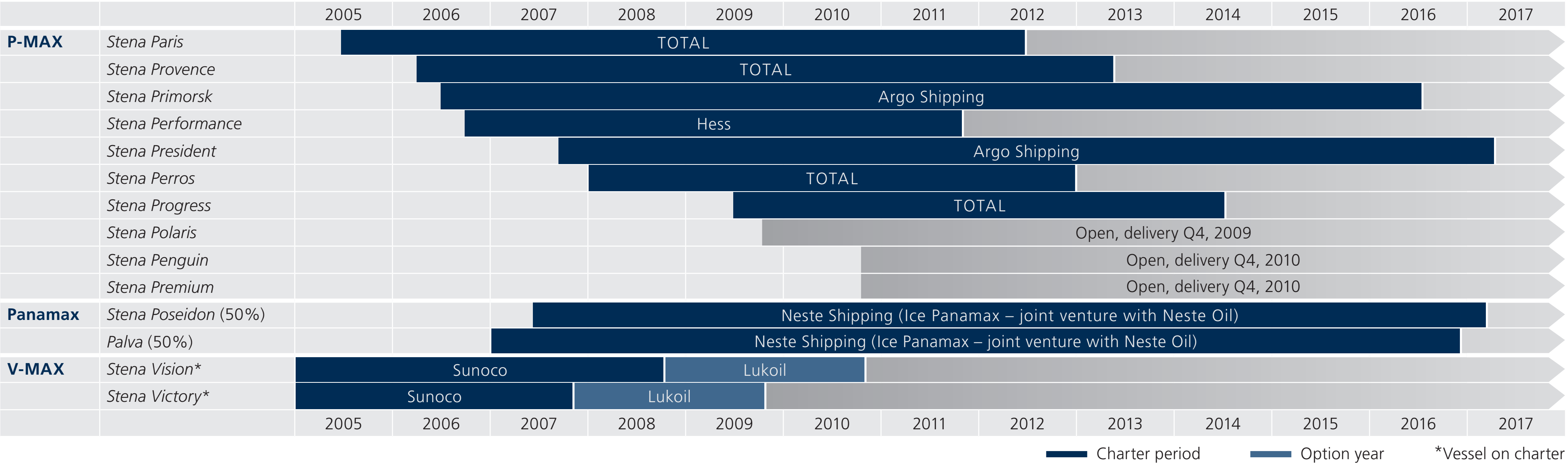
Eleven of our 14 vessels are signed to time charters of between five and ten years. Thanks to these charters, we expect our product tanker fleet to generate an annual cash flow (EBITDA) of about USD 35–45 million when all the vessels signed to charters have entered service in 2010. While other players may feel insecure when it comes to the years ahead, we have secured our position and can instead look forward to new business deals and projects

Strategic choice between three types of contracts

There are two dominating types of contracts in tanker shipping: spot and time charters. In a comparison with the banks' fixed and floating interest rates, the spot market represents floating interest rates in that it follows the economic upswings and downturns, which means that prices can rise and fall steeply over short periods of time. In the crude oil segment, freight rates can vary by as much as 100% in the space of a single day.

Time charters, on the other hand, are not affected as heavily by irregular fluctuations since they are a stable and long-term charter form. Like the banks' fixed interest rates, the long-term charters are not as profitable when the market is booming, but nor are they negatively affected when the market falls.

Close customer relations and long-term charter agreements



A third form is the profit-sharing contract, which can be described as a cross between a spot and a time charter. Here, the shipowner charges a lower fixed hire, but gets a share of the vessel's surplus in the spot market. This generates a stable cash flow, while at the same time representing a potential when the spot market rises. On the other hand, the shipowner is protected from a downturn in the spot market.

Our mix of time charters and profit-sharing contracts means that we are positioned to weather a market downturn. Our long-term charters give us stable revenues, which are not affected by a negative market trend in the short term.

Larger world fleet could result in surplus capacity

Generally speaking, we anticipate a somewhat weaker market prior to the introduction of the new IMO regulations, banning single-hull vessels, in 2010. The reason for this is that the additional capacity in the form of new vessels will exceed the growth in demand on the product market. But thanks to our stable cash flows, the downturn could instead provide us with new business opportunities. These could, for example, take the form of further development based on the MX concept, although we are also on the lookout for new projects outside this successful concept.

CONCORDIA MARITIME INTERIM REPORT 2007

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