



Concordia Maritime is an international tanker shipping company, which owns two 314,000 dwt VLCCs delivered in 2001. The Stena V-MAX vessels, in addition to having mandatory double hulls, were built according to a completely 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.

In 2003, a further six vessels, which will be built in accordance with the MAX concept, were ordered.

These vessels, Stena P-MAX, are product tankers of about 49,900 dwt and will be delivered over a 12-month period from the end of 2005.

All the vessels are built to very high specifications as regards both customer satisfaction and lifespan. The quality of the vessels and the management and manning organisations is documented by quality certificates from Det Norske Veritas and the American Bureau of Shipping.

INNOVATION AND PERFORMANCE

Our business concept is to generate a profit by providing our customers with safe, cost-effective tanker transportation based on innovation and performance

REPORT ON FINAL ACCOUNTS, 2003

- **Full-year result after financial net SEK 35.1 (-142.4) million**
- **Full-year result per share (after tax) SEK 1.62 (-3.15)**
- **Break-even for fourth quarter**
- **Six P-MAX tankers ordered – an investment of approx. SEK 1,500 million. Two of these chartered for five years to the oil company TOTAL**
- **Proposed dividend: SEK 0.50 per share**
- **Last Concordia vessels sold to offshore projects in January, 2004. Estimated capital gain of SEK 60 million.**
- **Forecast for 2004: SEK 135 million**

PRESIDENT'S SUMMARY OF THE YEAR

Concordia Maritime underwent a dramatic transformation during a very eventful 2003. The focus on first-class and cost-effective tanker transportation based on quality and safety continues.

The sale of the two remaining tankers in the so-called Concordia Class to the offshore industry in January, 2004, means that our fleet will no longer contain any of these old vessels. The superb quality of the tankers enabled the Concordia Class fleet to continue trading when many other

competitors were forced to scrap vessels of the same age at the end of the 1990s. The greater part of the profits were generated just during these final 3-4 years. The Concordia Class fleet leaves behind it, apart from a solid reputation, very experienced and competent crews and a skilled shipping team.

Today, we have two large VLCCs, V-MAX, employed on profitable charters, which have proved to be a financial and operational success. Their 3-year charter with Sunoco expires during the summer and the prospects of continued good earnings are extremely good, given the current market.

The order of six P-MAX product tankers placed during the year is another step in the creation of a fleet of the market's safest tankers designed and built according to the so-called MAX concept. The MAX concept provides the highest safety by doubling all critical components such as engines, steering systems, etc. The design of the tankers, with double rudders and propellers, gives them far superior manoeuvrability.

In addition to these quality advantages, the MAX tankers have a large loading capacity on a limited draught, which makes them very efficient economically.

The French oil company TOTAL has been our partner in studies on and the design of the P-MAX tankers and has time-chartered two of them for five years.

Our objective is to continue to build up our operations around the MAX concept, in existing and new ship sizes, for and together with existing and new customers.

SALES AND RESULT

Full year, 2003

Consolidated sales amounted to SEK 649.7 (768.6) million. The result after financial items was SEK 35.1 (-142.4) million, which included a loss of SEK 15.1 (+11.1) million on the sale of ships. The result after tax was SEK 77.1 (-148.9) million, which corresponds to a result per share after tax of SEK 1.62 (-3.15).

Fourth quarter

Sales during the fourth quarter amounted to SEK 99.9 (203.6) million. The result after financial items was SEK 0.1 (-17.6) million, which included a loss of SEK 0.7 (+11.1) million on the sale of ships. The result after tax was SEK 34.9 (-22.8) million, which corresponds to a result per share after tax of SEK 0.73 (-0.48).

Sales by geographical area

Sales for the whole of 2003 are distributed geographically over the following markets (in %): UK 41 (26), US 37 (35), South Africa 15 (9), Saudi Arabia 4 (9) and others 3 (21). The distribution of net sales is based on the respective customer's domicile.

Tanker market in 2003

The tanker market in 2003 was characterised by extreme fluctuations. During the summer, freight rates dropped down to about USD 10,000 per day for modern VLCC tonnage. During the autumn, the market rebounded to a level better than during the record years at the beginning of the 1970s.





Large tankers

The year began with great uncertainty and a wait-and-see approach, largely due to the Iraq war. Despite this, the freight markets were strong as a result of strikes in Venezuela and political unrest in West Africa, which persuaded OPEC to raise its production quotas. This led to an increase in shipments of crude oil from the Middle East. With oil beginning to flow again from Venezuela and West Africa, OPEC gradually cut back its production and freight rates began to weaken.

During the summer, the freight rates continued to be poor. The effects of the Iraq war were difficult to gauge and there was a general atmosphere of uncertainty as to where the world economy was heading. At the beginning of the autumn, the situation began to improve. The world economy was moving in the right direction. China's strong economic growth continued and the US economy finally showed signs of a stable improvement. At the end of October, the markets began to improve dramatically.

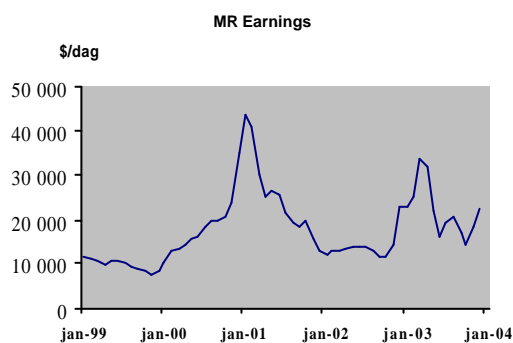
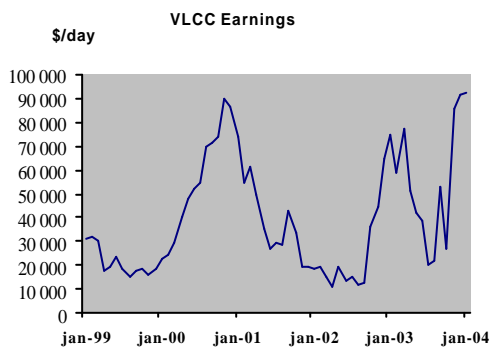
Product tankers

With its order for six P-MAX tankers, Concordia Maritime is moving into the product tanker segment, which is why we will now report on this market, so-called MR (Medium Range) tankers.

The product tanker market showed the same pattern as the large-tanker market, although with less extreme fluctuations. The year began with relatively good freight rates. This was followed by a weak summer and an improvement during the autumn and winter.

Increasing Russian exports and the strong expansion of the economies in Asia, particularly China, have contributed to the healthy upward trend of the freight market. Serious delays in the Bosphorus and the resulting queues have given a further boost to the markets since the tankers are not optimally employed.

FREIGHT MARKET JANUARY, 1999 – JANUARY, 2004



V-MAX

The Group's two V-MAX VLCCs, the *Stena Vision* and the *Stena Victory*, operated efficiently and smoothly on the West Africa-US East Coast trade under the terms of their time-charter contracts with the US oil company Sunoco, which expire in mid-2004.



VLCC

During the year, the Group's older VLCCs were employed on the spot market and generated about USD 16,000 (8,000) per day, including waiting days, which corresponded approximately to the vessels' break-even level. After the sale of two vessels in May and August, respectively, we only had the *Stena Constellation* and the *Stena Congress* employed in the spot market. The freight rate during the fourth quarter for these two vessels was in the region of USD 25,000 (11,000) per day.

The Group's involvement in the two ULCCs sold in 2002 was wound up in its entirety in 2003 following the buyer's repayment of the seller's credit. The net result for the year has been charged with SEK 1.5 million related to this.

Dispute concerning ship sale in 2000

The tanker *Stena Continent* was sold in 2000. For the last three years, there has been a dispute between Concordia Maritime and the buyer concerning the interpretation of certain parts of the sales agreement. The buyer is claiming a total of SEK 70 million. This claim is rejected in its entirety on solid legal grounds and the company's view is that the dispute should not have any financial consequences apart from legal costs.

Management and operation

During the year, the fleet continued to be operated with a focus on safety and quality and the cost of ongoing ship operation remained at a low level.

Ship sales

All four remaining older VLCCs in the so-called Concordia Class have now been sold. Two vessels were delivered to the buyers during the year (August and June, respectively). The two remaining units, the *Stena Constellation* and the *Stena Congress*, were sold in January, 2004 for employment in offshore projects. They will be delivered between July and November, 2004.

EQUITY

Equity per share is SEK 21.51 (24.16). The SEK/USD exchange rate on 31-12-2003 was 7.28 (8.83). The continuing increase in value of the SEK in the SEK/USD exchange rate during the year reduced equity by SEK 204 million (SEK 4.27 per share).

LIQUIDITY AND FINANCING

The Group's disposable liquid funds, including unutilised credit facilities, amounted to SEK 319.6 (171.4) million on 31-12-2003. The Group's existing fleet is financed via a credit facility raised during the spring of 1999.

This credit facility is amortised on an ongoing basis and amounted to USD 41.3 million at the end of the period.

INVESTMENTS

In July, a newbuilding contract was signed for four P-MAX product tankers. In December, an option on a further two vessels was declared at a fixed price given in conjunction with the contract for the first four vessels.



The six P-MAX tankers will be delivered in 2005 and 2006 and represent a total investment of approx. SEK 1,500 million. The major portion of the contract price will be paid to the shipyard on delivery.

RELATED COMPANY TRANSACTIONS AND CHARTER COOPERATION WITH STENA BULK

During the year, the joint charter business between Concordia and Stena Bulk, where the results are shared equally, consisted of a multi-year freight contract, which is roughly equivalent to the employment of one VLCC, and a modern double-hull VLCC (built in 1999), which was time-chartered in February, 2003, for a period of 11-13 months. In September, an agreement to redeliver at an earlier date was signed with the owner of the chartered vessel and, at the same time, the freight contract was transferred to this owner.

Consequently, the company currently has no joint charter business with Stena Bulk.

During the year, the joint charter business generated a result of SEK -10.0 (5.6) million.

Cooperation with other departments at Stena, such as Chartering, Marketing, Technical, Finance, Bunker and Insurance, remains unchanged.

Concordia's wholly-owned subsidiary Universe Tankships provides ship management for two of Stena-owned vessels, the newly built C-MAX tankers *Stena Caribbean* and *Stena Calypso*, which are signed to long-term charters with ChevronTexaco.

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

PARENT COMPANY

The Parent Company's sales totalled SEK 18.1 (18.4) million. Intergroup invoicing accounted for SEK 17.4 (18.2) million of this amount. The result after financial items was SEK 35.0 (3.5), which includes anticipated dividends of SEK 22.5 (0) million from subsidiaries. The Parent Company's disposable liquid funds, including unutilised credit facilities, amounted to SEK 23.1 (60.9) million. There were no investments during the period.

ACCOUNTING PRINCIPLES AND METHODS OF CALCULATION

The Swedish Financial Accounting Standards Council's recommendation RR 22 (Presentation of Financial Statements), which the company has followed as of 01-01-2003, has resulted in a reclassification of certain financial liabilities that fall due within 12 months, as shown below.

(SEK million)	Classification according to RR 22		Previous classification	
	31 December, 2003	31 December, 2002	31 December, 2003	31 December, 2002
<i>Liabilities</i>				
Long-term liabilities	309.2	940.3	309.2	880.3
Current liabilities	57.4	99.5	57.4	159.5

With the exception of the above-mentioned, the accounting principles applied are the same as those applied in the Annual Report for 2002.

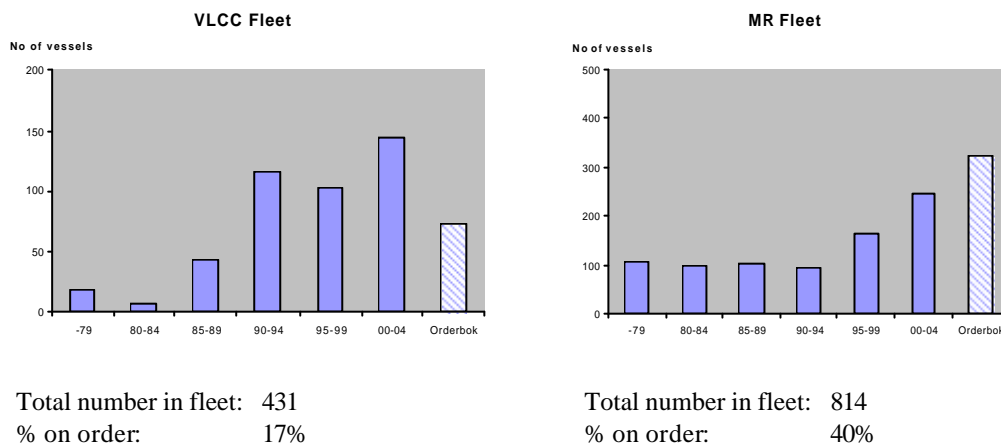


FORECAST FOR 2004

Shipbuilding market and world tanker fleet

Since Concordia signed the contracts for the P-MAX tankers at the beginning of July, 2003, yard prices have risen about 20% across the board. The shipyards' capacity utilisation is very high due to an influx of customers as a result of the good shipping markets, not only in the tanker segment but also in other ship segments such as dry cargo, container and LNG. This, in turn, means that there is a large backlog of orders in relation to existing tonnage and that a large number of vessels will be delivered in the next few years. Many of these vessels will replace older ships forced out of the market as a result of legislators accelerating the phase-out of single-hull tonnage.

AGE STRUCTURE



Freight market

The tanker markets continue to be good. The trend of the US economy and growth in Asia continues to be positive and shows no sign of weakening. The OPEC meeting at the beginning of February, when a decision to reduce production quotas was taken, could, however, have a negative impact on the tanker market in the short term, particularly in the case of large tankers. But we believe that the tanker markets will continue to be strong throughout 2004, although with large seasonal variations.

Forecast, 2004

The V-MAX tankers are signed to profitable time-charter contracts during the first half of the year. After the expiry of these contracts, we expect them to continue to be employed at about the same freight rates as the current contracts generate.

The two remaining Concordia Class tankers are expected to continue trading for the first 4-6 months of the year after which preparations will begin for their delivery to the buyer. Their current voyages, which continue into March/April, generate USD 35-40,000 per day.

The capital gain is estimated at SEK 60 million on delivery.

The forecast for the full year is SEK 135 million before tax (including capital gains on the sale of ships), which is equivalent to SEK 2.83 per share.



DIVIDEND

The Board proposes a dividend of SEK 0.50 per share.

ANNUAL GENERAL MEETING AND FUTURE INFORMATION

The Annual General Meeting with shareholders will be held at Lorensbergsteatern in Gothenburg, Sweden, on 29 April, 2004, at 2.00 p.m. The Interim Report for the first three months of the year will be presented in conjunction with the AGM.

In April, the Annual Report for 2003 will be sent to all registered shareholders. The Interim Report for the first six months of 2004 will be published on 12 August and the 9-month Report on 20 October.

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.

Further information may be obtained from:

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Gothenburg, 19 February, 2004

CONCORDIA MARITIME AB (publ)

Lars Carlsson
President



THE GROUP'S INCOME STATEMENT

(SEK million)	4th quarter 2003	4th quarter 2002	Whole year 2003	Whole year 2002
Average exchange rate SEK/USD	7.58	9.14	8.09	9.72
Net sales	99.9	203.6	649.7	768.6
Ship sales	-0.7	11.1	-15.1	11.1
Total income	99.2	214.7	634.6	779.7
Operating costs, ships	-40.2	-122.3	-335.8	-494.5
Other external costs	-9.4	-13.5	-36.7	-45.4
Personnel costs	-16.9	-25.8	-84.6	-150.3
Depreciation according to plan	-26.8	-65.3	-118.6	-187.7
Total operating costs	-93.3	-226.9	-575.7	-877.9
Operating result	5.9	-12.2	58.9	-98.2
Interest income and similar profit/loss items	0.1	0.0	0.5	1.3
Interest expenses and similar profit/loss items	-5.9	-5.4	-24.3	-45.5
Financial net	-5.8	-5.4	-23.8	-44.2
Result after financial net	0.1	-17.6	35.1	-142.4
Tax	34.8	-5.2	42.0	-6.5
Result after tax	34.9	-22.8	77.1	-148.9

PER-SHARE DATA

(SEK)	4th quarter 2003	4th quarter 2002	Whole year 2003	Whole year 2002
Shares at end of period	47,729,798	47,729,798	47,729,798	47,729,798
Average number of shares	47,729,798	47,729,798	47,729,798	47,294,055
Profit per share after tax	0.73	-0.48	1.62	-3.15
Equity per share	21.51	24.16	21.51	24.16



SUMMARY OF GROUP'S BALANCE SHEET

(SEK million)	31 dec 2003	31 dec 2002
SEK/USD exchange rate on accounting date	7.28	8.83
Assets		
Ships and equipment	1,224.4	1,907.5
Ships under construction	55.4	0.0
Financial assets	8.5	12.6
Total fixed assets	1,288.3	1,920.1
Current receivables	78.8	203.6
Cash and bank balances	40.3	115.2
Total current assets	119.1	318.8
Total assets	1,407.4	2,238.9
Equity and liabilities		
Equity	1,026.5	1,153.0
Provisions	13.7	46.1
Long-term liabilities	309.2	940.3
Current liabilities	58.0	99.5
Total equity and liabilities	1,407.4	2,238.9

SUMMARY OF GROUP'S CASH-FLOW ANALYSIS

(SEK million)	Whole year 2003	Whole year 2002
Operating activities		
Cash flow from operating activities before changes in working capital	172.0	28.9
Change in working capital	81.1	-43.8
Cash flow provided by operating activities	253.1	-14.9
Investing activities		
Ship sales	262.7	41.2
Advanced payment ships under construction	-61.6	0.0
Cash flow from investing activities	201.1	41.2
Financing activities		
Change in long-term loans	-515.0	-113.4
Cash flow from financing activities	-515.0	-113.4
Dividend	0.0	-27.8
Conversion differences	-1.2	1.5
Cash flow for the year	-62.0	-113.4
Balance at beginning of period (Note 1)	115.2	263.0
Exchange rate differences, cash and bank balances (Note 2)	-12.9	-34.4
Balance at end of period (Note 1)	40.3	115.2

Note 1. Balance consists of cash and bank balances

Note 2. Exchange rate differences related to:

Balance at beginning of year	-19.7
Cash flow of the year	6.8
	-12.9



CHANGES IN EQUITY, GROUP

(SEK million)	Share capital	Restricted reserves	Non-restricted reserves	TOTAL
CHANGES JAN-DEC, 2003				
Opening balance 01-01-2003	381.8	293.9	477.3	1,153.0
Exchange rate differences not shown in income statement	-	-76.5	-127.1	-203.6
Changes between restricted and non-restricted equity		-62.9	62.9	0
Result for the period	-	-	77.1	77.1
Closing balances on 31-12-2003	381.8	154.5	490.2	1,026.5

CHANGES JAN-DEC, 2002

Opening balance 01-01-2002	371.3	319.6	902.3	1,593.2
Exchange rate differences not shown in income statement				
Result for the period	-	-30.4	-248.3	-278.7
Conversions during the period				
Dividend	-	-	-148.9	-148.9
Closing balance 31-12-2002	10.5	4.7	-	15.2
	-	-	-27.8	-27.8
	381.8	293.9	477.3	1,153.0

SIX-YEAR SUMMARY

(SEK million)	2003	2002	2001	2000	1999	1998
Profit/loss and balance-sheet items						
Net sales	649.7	768.6	1334.6	1327.6	773.6	1102.9
Operating result	58.9	-98.2	292.5	246.0	-44.1	201.8
Result after financial items	35.1	-142.4	251.9	227.7	-72.0	114.0
Cash flow	156.9	40.0	392.1	337.2	15.9	205.8
Equity (Note 1)	1,026.5	1,153.0	1,593.2	1,211.6	721.5	760.9
Total assets (Note 1)	1,407.4	2,238.9	3,150.3	2,494.5	1,890.3	1,751.0
Key ratios (%)						
Equity ratio	73	51	51	48	38	43
Return on total capital	3	-4	11	12	-2	12
Return on capital employed	3	-4	12	14	-2	13
Return on equity	7	-11	16	21	-8	17