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Write-down of value of investment in Weaving Capital's Macro Fixed Income fund

Affects the forecast for 2009

Concordia Maritime will write down the value of its fund share in the British hedge fund company Weaving Capital UK. On 31 December 2008, its share in the funds amounted to USD 3.6 million. The write-down is the result of recent events related to the fund and means that the forecast for 2009 will be adjusted downwards by the same amount.

On 11 March, the British hedge fund company Weaving Capital UK decided to close its Macro Fixed Income fund due to liquidity problems. The auditing firm PricewaterhouseCoopers has been appointed as liquidators of the fund.

To date, no clear picture has emerged of what actually happened. Based on what Concordia Maritime has learned from the liquidator this week, it is felt that there is little chance of the company recouping the major part of its investment. Accordingly, the whole investment will be written down.

"We invested a small portion of our surplus cash in Weaving Capital as the fund had a pronounced low risk profile and had performed well historically. An investigation is being made into the cause of the acute liquidity shortfall in the fund. We are following developments closely but with the situation as it is at present, we have little hope of recouping the capital we invested", says Hans Norén, President of Concordia Maritime.

The write-down of the holding in the fund, USD 3.6 million, will be charged to the profit for 2009. This means that the new forecast for 2009 is for a profit before tax of SEK 45 million corresponding to SEK 0.94 per share (previous forecast: SEK 70 million corresponding to SEK 1.47 per share).

"It is important to emphasise that this does not affect the company's financial position, nor does it affect the newbuilding program or our short-term and long-term capacity to act. Our investment in the fund accounted for approx. 5 per cent of the company's total portfolio at the end of last year, a portfolio that has generated an average return of 7 to 8 percent per year", says Göran Hermansson, Financial Manager at Concordia Maritime.

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Concordia Maritime AB (publ) is an international tanker shipping company listed on the Nasdaq OMX Stockholm. The company has ordered ten tankers, which are being built in accordance with the MAX concept. Six P-MAX-vessels have been delivered and four will be delivered during 2009/2010. 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