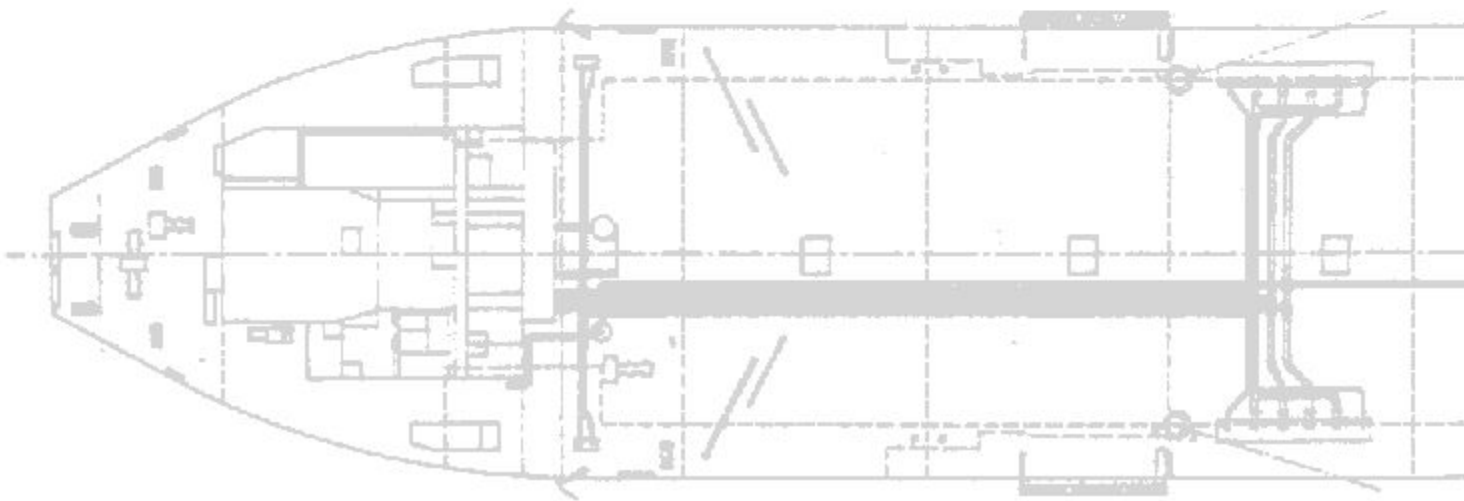
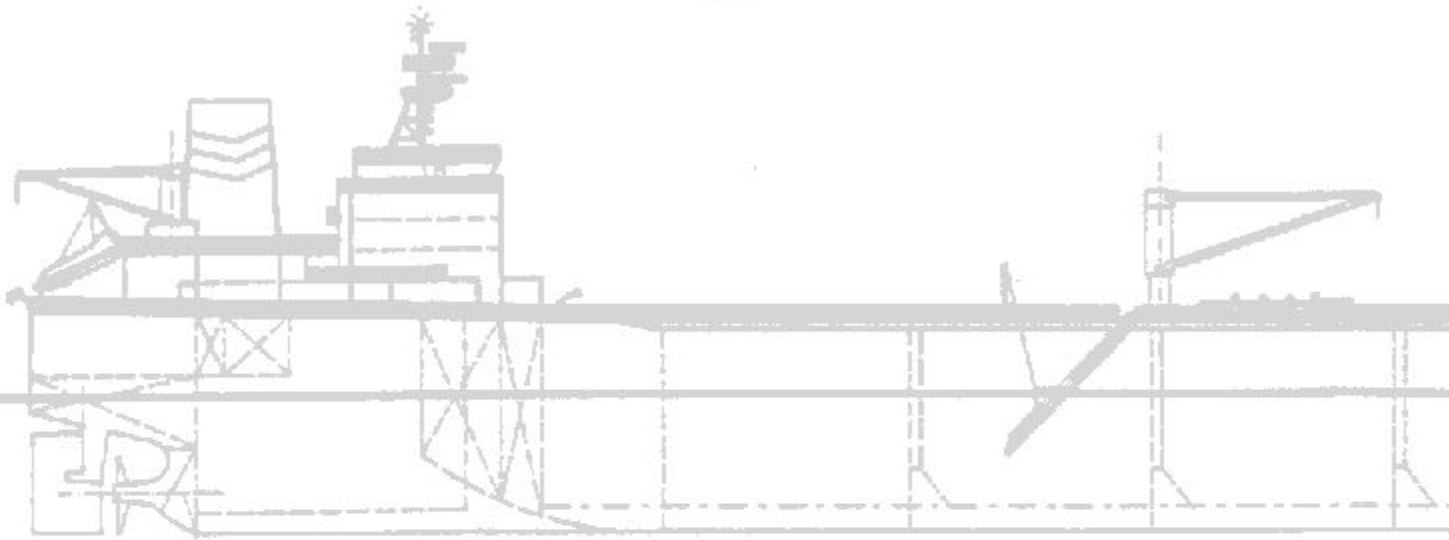




semi-annual report 2003



Premuda

Consolidated income statement (€/000)

	<u>at 30.06.2003</u>	<u>at 30.06.2002</u>	<u>at 31.12.2002</u>
Rate of exchange Euro/US\$ at period end	1.143	0.998	1.049
Sales (1)	77,829	70,733	137,957
Running costs (2)	(51,319)	(53,872)	(108,686)
Gross operating profit	26,510	16,861	29,271
Depreciation	(10,264)	(6,478)	(11,666)
Net operating profit	16,246	10,383	17,605
Other provisions	(4,972)	(1,344)	(9,702)
Net finance costs	(2,773)	(2,419)	3,999
Exceptional items	(55)	(756)	(1,331)
Profit before taxation	8,446	5,864	10,571
Taxation	-	-	(1,658)
Net profit for the year	8,446	5,864	8,913
Minority interests	1,877	(23)	(13)
Group net profit	6,569	5,887	8,926
Cash-flow	18,710	12,342	20,579

(1): inclusive of profits on sale of vessels

(2): inclusive of losses on sale of vessels

Consolidated balance sheet (€/000)

	<u>at 30.06.2003</u>	<u>at 30.06.2002</u>	<u>at 31.12.2002</u>
Rate of exchange Euro/US\$ at period end	1.143	0.998	1.049
Cash and cash equivalent	38,492	49,949	19,526
Receivables	29,955	18,964	36,059
Inventories	5,672	4,788	5,108
Accrued revenues and prepaid costs	6,022	6,045	4,717
Total current assets	80,141	79,746	65,410
Vessels	375,073	146,177	185,279
New buildings in progress	-	120,357	152,604
Other fixed assets	32,125	33,021	31,846
Total fixed assets	407,198	299,555	369,729
Deferred charges	1,416	1,435	1,436
Total assets	488,755	380,736	436,575
Short term debt and current portion of long term debt	20,663	13,361	13,423
Other current liabilities	57,490	23,405	51,778
Accrued costs and prepaid revenues	8,404	6,269	5,932
Total current liabilities	86,557	43,035	71,133
Long term debt	255,344	220,914	230,522
Provision for contingencies and deferred taxation	14,199	7,128	15,258
Minority interests	16,731	3,093	3,259
Shareholders' equity	115,924	106,566	116,403
Total liabilities and Shareholders' equity	488,755	380,736	436,575

Premuda Group Results

Premuda Group's operating profit after depreciation for the first half of 2003 was Euro 16,246,000 against Euro 10,383,000 for the corresponding period in 2002.

The net result before taxes and after minority interest in the same period was a profit of Euro 6,569,000 against a profit of Euro 5,887,000 for the corresponding period in 2002 (+11,58%).

During the first half of 2003 the Group generated cash flow of Euro 18,710,000 (Euro 12,342,000 during the first half of 2002).

Liquidity and financial items

The Group's liquid assets amounted to Euro 38,492,000 as of June 30th 2003 (Euro 49,949,000 at the end of June 2002).

In comparison with the first half of 2002 total current assets increased by Euro 395,000 and total current liabilities by Euro 43,522,000 with a net balance of Euro 43,127,000.

In the same period, outstanding long term debt increased by Euro 34,430,000. The change in the financial situation is connected with the completion of the significant investment program, reflected by the increase of fixed asset of Euro 107,643,000.

The long term debt profile of the Group is as follows: 5.9% of the aggregate maturities is debt repayable within 1 year; 52,9% is repayable within 2 to 5 years and 41,2% is scheduled for repayment after 5 years.

Shipping Operations and other events

During the first half of 2003 the Group operated 12 tankers and 3 panamax bulk-carriers.

Of the total time available for operation, 94% was utilized in performing commercial operations, 4% was off-hires incurred for maintenance and repairs and 2% was time lost waiting for cargoes.

In the first half of 2003, the fleet underwent the following changes:

- in January the delivery from *Samsung Heavy Industries Ltd* of two sister 73.000 dwt panamax tankers named *Four Clipper* and *Four Ketch*;
- in February the sale for scrap of the 1983-built OBO *Four Astra*. The losses generated by the sale were entirely covered by a specific provision accrued in 2002;
- in March the acquisition of the 2000 built 74.400 dwt panamax bulker *Four Coal*;
- in May, after completion of the conversion at *Keppel* shipyard in Singapore, the FPSO (Floating Production Storage and Offloading unit) *Four Vanguard* was successfully installed at the "Woollybutt Field" in Western Australia and the "first oil" took place;
- in June the delivery from *Samsung Heavy Industries Ltd* of the 160.000 dwt suezmax tanker named *Four Sun*. The vessel was immediately sold to third parties and chartered back for a three year period.

Prospects

Tanker freight rates in the first six months were on average almost doubled in comparison with the corresponding period of last year. On the opposite side, the exchange rate Usd/Euro was on average 19% lower than during the first half of 2002.

Tanker rates were sky high in the first quarter (the best period in the last ten years) and sharply declined in the second quarter. The fall in the rates continued during the summer, reaching the bottom at the beginning of September.

Expectations for the last part of the year are uncertain: the recovery of US economy, the low level of stocks, the restart of Iraqi exports and the high level of scrapping are positive factors but the level of order book (23% of the entire tanker fleet), the EU stagnation and the increase of short haul traffic suggest a more prudential approach.

Anyhow, taking into consideration the profit realized on the first six months, the management envisages a positive year end result, even if probably lower than 2002.

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