

## FULL HOUSE

Drinks were served on all floors in the old Bryghuset when 400 customers and partners met at NORDEN's housewarming party – almost 1½ years after moving in.

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## NORDEN'S WEST AFRICAN CONNECTION

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## VESSEL ICE-REINFORCED FOR PORT ALFRED

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## NORDEN calendar

### 30 June 2010

Naming of 114,500 dwt Post-Panamax dry cargo vessel  
Shanghai Shipyard, China

### 23 July 2010

Delivery and naming of 47,400 dwt MR product tanker  
Imabari Shipbuilding, Japan

### 27 July 2010

Naming of 54,000 dwt Handymax dry cargo vessel  
Chengxi, China

### 27 July 2010 to 17 August 2010

Silent period until publication of the interim report for Q2 2010

### 10 to 12 August 2010

Officers' Seminar  
Internal venue – Comwell Holte

### 17 August 2010

Interim Report - Q2

### 25 August 2010

Naming of 55,920 dwt Handymax dry cargo vessel  
Mitsui Engineering and Shipbuilding, Japan

### 31 August 2010

Naming of 114,500 dwt Post-Panamax dry cargo vessel  
Shanghai Shipyard, China

### Beginning of September 2010

Delivery and naming of 47,400 dwt MR product tanker  
Imabari Shipbuilding, Japan

### 3 September 2010

Naming of 54,000 dwt Handymax dry cargo vessel  
Chengxi, China

### Cover photo

NORDEN held receptions on all floors in "Bryghuset" at the housewarming 27 May 2010

### Dampskibsselskabet NORDEN A/S

52, Strandvejen  
DK- 2900 Hellerup  
Denmark

Telephone: +45 3315 0451  
Telefax: +45 3315 6199  
www.ds-norden.com



Editor-in-chief: Carsten Mortensen  
Editors: Corporate Communications  
Articles: Hans Bøving, Karina Skydt, Anne Thommesen  
Layout and graphic design: meyer & bukdahl as



## BETTER LATE THAN NEVER

Finally, "Bryghuset" was officially inaugurated. At the end of May, we had a housewarming party for around 400 people, who were shown around NORDEN's new head office, and later on dinner and entertainment. High spirits and happy people partied late into the night.

To me, it makes good symbolic sense that we had the party now – and not in December 2008 as originally planned. But in the fourth quarter of 2008, uncertainties in the shipping industry and world economy were at its highest, and it was not the right time to party. Therefore, we then postponed the party until better times.

Since then, a good deal of uncertainties has been cleared away. It is probably still too early to completely call off the economic crisis, but the world economy has fortunately started to grow again, and growth will gradually increase transport volumes. We are heading towards better times, and therefore, it felt like the right time to party. And we got the attendance and great atmosphere that we could only wish for to have a festive inauguration of our head office. Better late than never!

NORDEN had a good start to 2010. We have increased coverage in Dry Cargo and Tankers so that we have both increased our expectations to earnings this year and secured a good cash flow beyond 2010. The business is also growing according to plan: in Dry Cargo, we are now operating 165-170 vessels, and we have become more active as operators. In Tankers, we have purchased a handful of vessels, and we are still looking for interesting investment opportunities.

Until now, we have committed USD 510-550 million to investments this year. This is partly payments on the newbuilding programme in Dry Cargo and partly the purchase of the abovementioned tanker vessels. We can lift these investments ourselves with our cash balance and proceeds from agreed vessel sales, and it is nice to have both the will and the prerequisites to pursue the opportunities for profitable growth.

But there is no risk of NORDEN getting overexcited. We do not forget for a second that globally, a lot of dry cargo vessels have been ordered for delivery in 2010, and this growth in supply is likely to give some large bumps in the road, which we have to steer clear of. The tanker market also reminds us that the world is still on its way out of the crisis – and is not out yet. But we are convinced that the tanker rates will also increase when the economic growth really gets going, and growth in supply subsides.

Some people believe in miracles – at NORDEN, we believe in sound business practice, a thoroughly tested business model, a strong organisation and hard work. This got us through the crisis. Now, the important thing is to stay focused and stay on course.

I wish you all great and hopefully sunny summer.

CARSTEN MORTENSEN, CEO

# NORDENS FIRST CSR REPORT

NORDEN has published its first Corporate Social Responsibility (CSR) report – the common title for issues such as safety, working environment, labour and human rights, climate, the environment, etc.



"There is an increasing focus on how companies fulfill their social responsibility and we therefore think it is obvious that we communicate what we are doing, why we are doing it and what our targets are," says CFO Michael Tønnes Jørgensen. He is chairing the CSR Executive Body appointed by the Board of Directors.

The report describes policies, activities and results in 2009 and plans for 2010 in compliance with the UN Global Compact, which NORDEN joined last year. NORDEN's Board of Directors has adopted the CSR report.

*NORDEN's CSR report can be read and downloaded from the menu CSR under Profile on NORDEN's website. Here you will also find NORDEN's most recent response to the Carbon Disclosure Project – the most effective global measurement of corporate CO2 emissions - in which NORDEN has participated for 3 years in a row.*

"We are in a process where we will continue to build the CSR activities and reporting. There is no point in reinventing the wheel because a major part of the efforts is to formalise what we are already doing," says Michael Tønnes Jørgensen.

# SECOND UPWARD ADJUSTMENT OF THE YEAR

The operating profit is now expected to increase by approximately 60-100% compared to last year.

Again, NORDEN has raised its expectations for the operating profit. On 22 June, the Company raised the forecast for the operating profit before selling profits, depreciation and net financials (EBITDA) by USD 30 million or approximately DKK 180 million.

The Company is now expecting an EBITDA of between USD 200 million and 250 million. This corresponds to an increase in operating profit of around 60-100% compared to last year.

The upward adjustment is due to the fact that a business partner has wished to cancel a contract on chartering one of NORDEN's Capesize vessels. As compensation, NORDEN will receive a payment equalling the difference between the agreed time charter hire and the expected market rates in Capesize in the remaining 3 years of the contract. This is estimated to strengthen NORDEN's earnings by net USD 30 million this year.

It was the second time this year that NORDEN raised the bar. The first upward adjustment of the year came in May – in connection with the interim report for the first quarter – and was a result of increasing earnings in the first months of the year, increased coverage at good rates for the rest of the year and better market conditions than expected. In the first quarter, the result was an EBITDA of USD 79 million against USD 15 million in the same period last year.

	Outlook for 2010 (USD million)			Results 2009
	22 June	19 May	9 March	
EBITDA	200-250	170-220	155-205	126
Profit from sale of vessels (+5 million in joint venture)	29	29	26	70
EBIT	185-235	155-205	135-185	157

### Less expensive book

Together with the upward adjustment, NORDEN could also report that the Company has renegotiated contracts with yards on building 8 Handysize dry cargo vessels. The adjustments of the orders – which have happened independently – simply mean that NORDEN's total payment is adjusted to such an extent that the Company will get another vessel free of charge so that we are talking about 9 vessels in all. In addition, NORDEN will get a small price reduction of USD 8 million.

"We are improving our newbuilding book by USD 35-40 million. It is of course an advantage that the cost per vessel will be reduced so that we get a more competitive fleet," says CEO Carsten Mortensen.

# THE LIAISON GUY IN WEST AFRICA

Samuel Quansah is NORDEN's Port Captain in West Africa. Overseeing some 20 ports along the coast of West Africa from Dakar to Angola, he travels up to 25 days a month, but compared to his former job as a captain, this is nothing.



So far, 2010 has been a busy year for Samuel Quansah. The cement industry in West Africa is growing, and getting trips from the Far East to West Africa is a way for the shipping companies to move vessels into the Atlantic where the market is very attractive. Samuel calls himself "the liaison guy". As a Port Captain in West

Africa, he is the local representative for NORDEN and ambassador for NORDEN's customer. Local knowledge and good relations to the local authorities and port personnel are valuable assets as his job is to make sure that dialogue and coordination between the captains, the agents and the local authorities run smoothly. Once the vessel calls the port to discharge, the key priority is to have the paper work done, the cargo discharged and the holds cleaned before departure in the shortest possible time frame.

## NORDEN's Port Captains

NORDEN offers skilled Port Captains in all major areas in order to facilitate the load and discharge process best possible. All of NORDEN's Port Captains are former captains and have the experience and knowledge to be flexible, handle difficult situations and keep a sense of perspective.

**Singapore:** 2 Port Captains (including 1 in West Africa)

**Annapolis:** 3 Port Captains

**Shanghai:** 2 Port Captains

**Mumbai:** 1 Port Captains

*NORDEN's Port Captains from the left: Claus B. Jensen (Annapolis), Radmon Lu (Shanghai), Lars Tørnquist (former Port Captain, now QA Manager in Hellerup), Samuel Quansah (Vestafrika), Bhaswar Purkayastha (Mumbai), Morten Larsen (Singapore), Inga Ellekjær (General Manager, Operations, Dry Cargo Department) Eko Zheng (Shanghai) and Dorte Nielsen (Head of Operations, Dry Cargo Department). Missing: Jan Andersen (Annapolis)*



### Huge amounts at stake

"Every day costs money, so we need to keep the vessels occupied at sea and avoid spending unnecessary time at the port. The shorter the turnaround time, from when the vessel enters the port until it goes back to sea, the better. The amounts at stake are enormous – one ship day can be translated into between USD 10,000 and USD 60,000 depending on the vessel type," says Samuel Quansah.

Samuel oversees the ports all the way from Dakar to Angola – a distance of several thousands of nautical miles. The vessels come in mainly from China, Indonesia, Thailand, Taiwan, Japan, South Africa, Greece and Turkey with cement, clinker and coal or gypsum from Spain to the cement factories all over West Africa. He also gets vessels with wheat and sugar calling mostly Lagos and Calabar both in Nigeria. And Samuel is good at his job. Having the experience from 27 years at sea including 12 years as a captain, he knows all the procedures and all of the ports from a captain's point of view and has many personal relations.

### A variety of challenges

"The most trivial things can turn out to be obstacles. Lack of documents, power failure, defective loading and discharging equipment, wrong port bookings, lack of information, and cultural differences can all result in wasted time. I know all these potential time consumers and can help the captains to be sufficiently prepared," says Samuel.

Usually the vessels spend 1-5 days in the port, sometimes longer depending on the cargo and the weather. For instance, cement clinker is very dusty, and it takes very thorough dry cleaning of each of the holds, before the vessel can be reloaded or sent to its next destination. Each port has its different challenges. For example, Lome in Togo is 12 metres deep, which is the deepest and hereby the best in West Africa for the kinds of cargoes carried by NORDEN ships.

"It is crucial that the vessels berth in Lome at high tide and the time to do so is very short. The crew on the vessel needs to start preparing for discharge within 45 minutes after putting in at the



*Cement clinker is one of the typical cargoes carried by NORDEN to West Africa where the cement industry is growing.*

quay. A few vessels do not follow the rules, and this may result in a ship sitting on the bottom of the sea, because she is not ready to discharge before the tide starts falling," Samuel explains. In Nigeria, the heavy rains during the rainy season may cause the vessels to stay up to 2 weeks to wait for the rain to stop, and in Lome, there is only 1 berth for discharging the dusty cement clinker, which may result in unforeseen waiting time.

#### **Four hands**

Overseeing the many ports along the coast is a busy task and takes many days away from the family and many nights at hotels as Samuel usually prefers to be present when the vessels call the ports. In Nigeria, Samuel now has a Port Captain Assistant, Kingsley Wosu, who has contributed significantly to relieve Samuel from some of

his travelling. Kingsley used to work as an Operations Officer for JAROS SHIPPING, a company in Port Harcourt, which was acting as Protective Agents for NORDEN ships until 2007. He was then and still is a very effective supervisor of ship operations and has a good working relationship with the local agents and stevedores.

"I am used to being away from home. As a captain, I was away for sometimes 6 months. Now, I am at least home for a couple of days each month, so the heavy travelling is ok. But very often, I need to be in 2 places at the same time, which is of course impossible. With Kingsley helping me, I have a couple of extra hands. He is very knowledgeable and hardworking and is a great NORDEN representative, when I am off to somewhere else," says Samuel.

## **Examples of cargoes and ports in West Africa:**

**Dakar, Senegal:** discharging coal

**Conakry, Guinea:** loading bauxite

**Freetown, Sierra Leone:** discharging clinker and gypsum, loading bauxite

**Monrovia, Liberia:** discharging clinker and gypsum

**San Pedro/Abidjan, Ivory Coast:** discharging clinker, gypsum, limestone and slag

**Takoradi/Tema, Ghana:** discharging clinker, gypsum and limestone, loading bauxite and manganese

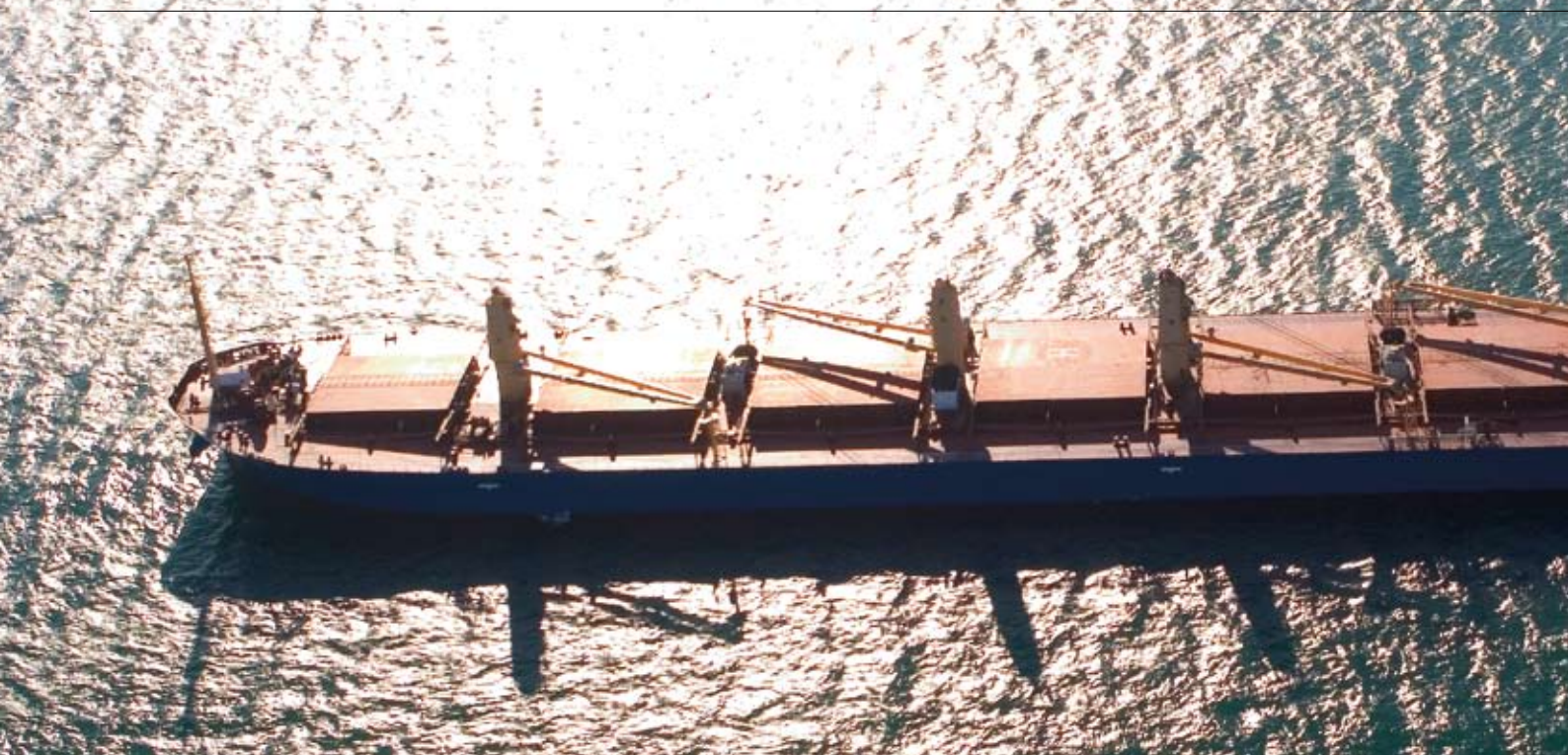
**Lome, Togo:** discharging clinker, coal, gypsum and limestone

**Cotonou, Benin:** discharging clinker, gypsum, and limestone

**Lagos, Port Harcourt, Nigeria:** discharging cement, clinker, coal and wheat

**Calabar, Nigeria:** discharging clinker, gypsum and wheat

**Libreville, Gabon:** discharging clinker and gypsum, loading manganese



# PANAMAX IS BACK ON THE GROWTH TRACK

After a strong spring in Panamax where 4 new long-term contracts of affreightment (COA) have been concluded and the operating fleet has reached 80 vessels, NORDEN now considers the opportunities to expand the core fleet and moreover enter into closer cooperation with selected customers.

When the market had its days of glory in early summer of 2008, NORDEN operated as many as 135 Panamax vessels. In the summer of 2009, after the adjustments of the fleet in the wake of the crisis, the number went down to 30. Now, the activity in the market is growing again, and the Company is now operating around 80 vessels. During the last months, NORDEN has concluded 4 long-term COA in the Panamax vessel type. All the contracts extend over 2-3 years and include e.g. coal cargoes to the Philippines and Europe and salt from Australia to Taiwan.

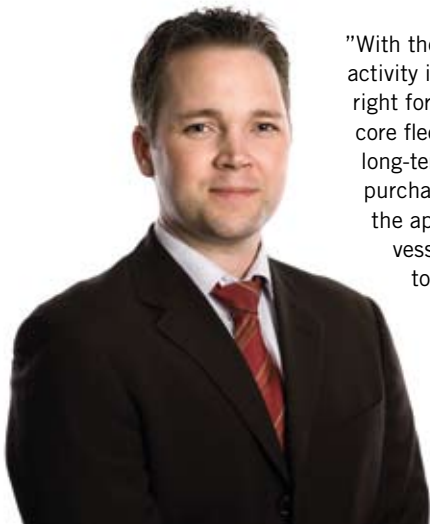
"With the current increasing activity in the market, the time is right for further expansion of our core fleet of owned vessels and long-term chartered vessels with purchase options. The majority of the approximately 80 Panamax vessels, which we operate today, are short-term time

charters. We estimate that we have to reach a core fleet of around 30 Panamax vessels in order to obtain the critical mass necessary to meet our customers' demands without being dependent on the very volatile prices in the spot market," says Mikkel Fruergaard, head of Panamax Chartering in NORDEN's Dry Cargo Department.

#### Growth in the core fleet

"We expect that prices on vessels – both time charters and purchase – will drop to more attractive levels later on the year when the grain season in South America finishes. We usually see that the market is generally a bit lower in the second half-year and as the supply of new tonnage is simultaneously increasing, the market is likely to be under more pressure in the autumn, which should lead to lower time charter rates as well as lower vessel prices, and we can take advantage of that in order to expand the core fleet," says Mikkel Fruergaard.

The current price levels of long-term time charters of vessels with delivery in 2012 are approximately USD 17,000 per day, which is



*"We can take advantage of expected lower prices on vessels – both time charters and purchase – to further invest in expansions of the fleet," says Mikkel Fruergaard, Head of Panamax Chartering in NORDEN's Dry Cargo Department.*



## NEW VESSEL TYPE OFF TO A GOOD START

The Post-Panamax pool launched by NORDEN on 1 January 2010 together with the pool partner Interorient Navigation Company (INC) has received the first 3 new vessels. The first months of the pool's life were satisfactory in spite of a challenging market.

In April NORD DORADO set out from Germany on her maiden voyage heading for Australia. The vessel was loaded with coal for a German steel mill. NORD DORADO is the latest delivery to NORDEN's new pool of the dry cargo vessel type Post-Panamax, which – with a capacity of 90-120,000 dwt – is expected to fill a gap in the market between the traditional Panamax and Capesize vessels. The pool was launched in January in cooperation with INC and has been busy during the first months of the year. The first delivery to the pool was NORD DELPHINUS which as a start sailed twice from Richards Bay in South Africa to China, loaded with magnetite ore for the mining company Rio Tinto. In February, INC delivered ORIENT CAVALIER, which has just been chartered out for 10-12 months to carry grain products from Brazil to Europe for the Bunge Group, a leading agribusiness and food company.

### Supported by a strong Panamax market

"In terms of earnings, the Post-Panamax market is slightly squeezed by the Capesize market, which is relatively low compared to Panamax. Usually the Capesize market is almost twice as high as the Panamax market, but this has not been the case this year. However, the strong Panamax market supports us so, all things considered, we are satisfied with the earnings of the vessels," says Michael Boetius, General Manager of NORDEN's Post-Panamax section.

The next 3 newbuildings ORIENT CENTAUR, ORIENT CHAMPION and NORD PYXIS are expected to be delivered to the pool at the end of June/beginning of July. When all vessels have been delivered by 2012, the pool will as a minimum consist of 16 vessels, of which 12 will be vessels owned by the two partners of the pool and the remaining vessels will be chartered in.

NORDEN has entered into the pool partnership with INC to quickly achieve critical mass in the Post-Panamax market, greater market coverage and the possibility of offering more flexible services and generating considerable economies of scale.

*NORDEN has closed 4 new long-term contracts of affreightment in Panamax with cargoes such as coal to the Philippines and salt from Australia to Taiwan.*

not seen as frightening. Just now NORDEN has entered a 5-year long time charter contract of a newbuilt Panamax vessel with expected delivery in 2012:

"We cannot say that we will not again charter a few vessels at such levels during the next couple of months, but a major move from our side will not happen until the conditions have improved," says Mikkel Fruergaard, who also points to two successful Panamax joint ventures, which NORDEN has concluded with a large, international raw material company. NORDEN and the customer have shared risks and gains 50/50 on the vessels.

### Profit-sharing

More joint ventures are in the making in the Dry Cargo Department where the plan is that the Company will share vessels and cargoes with selected customers for a shorter or longer period of time. NORDEN is in charge of the operation of the vessels and cargoes whereas commercial decisions are made jointly.

It is no news that NORDEN to strengthen the relations with selected customers enters into ad-hoc partnerships where gains and risks are shared with customers and other partners in the partnership. But these profit-sharing arrangements have become more relevant as a few large raw material and mining companies have started to time charter vessels themselves or invest in own tonnage.

### Closer ties to customers

"During the last couple of years, we have seen the tendency among for example mining companies to build up their own fleets develop. With owned vessels, the companies are in control of transportation and they get the opportunity to make money on the freight, but of course, it also entails a risk to enter this market. Therefore, it is obvious for NORDEN to make even closer ties with selected customers by entering into joint ventures where we provide the customer with a serious alternative to building up own fleets," says Mikkel Fruergaard, head of Panamax Chartering in NORDEN's Dry Cargo Department.



*NORD DORADO, the 3rd and latest addition to the Post-Panamax pool, was named on 30 March at Shanghai Shipyard on Chongmin Island in China.*



# SHAREHOLDERS WITH AN OPINION

Around 350 shareholders had braved the changeable spring weather, which offered both sun, rain and hail when NORDEN held its annual general meeting at Radisson Blu Falconer in Frederiksberg in April.

Chairman of the Board of Directors Mogens Hugo gave an energetic report, which solely gave rise to applause from the audience. However, the inquisitiveness showed later under the item Any Other Business where a few shareholders went to the rostrum with questions to the management.

When talking to the guests at the following buffet, it became obvious that it is not only movements in share prices that decide where NORDEN's shareholders place their investments.

#### Takes good care of its employees

Jeanette Møller, bachelor of international commerce and marketing:



"The NORDEN share was recommended to me by a friend, and I decided to invest about a year ago. First and foremost, I find the movements in share prices interesting, and as a shareholder, I appreciate that NORDEN has a good website where there are plenty of opportunities to order information on the company. I see NORDEN as a good company with an open management style. It means a lot to me that the company takes good care of its employees and has some great values. It was also a good general meeting today, but if

I could have asked for something, it would have been some specific examples of the improvements on processes and systems - also in relation to the administrative areas - which were mentioned in the chairman's report. It would have been nice to go a bit deeper into some of the many activities."

#### First chairman's report without comments

Henning Knust, former CFO at Maersk Line:



"Last year, I invested in NORDEN for the first time as I thought the share was on a reasonable level. You have to be careful with the cyclical shares, and I know everything about that considering my background. I think that it was an impressive chairman's report that we got from NORDEN today. It is the first time that I have experienced a general meeting where there were no comments to the chairman's report. And I do go to a few general meetings. We invest in several different companies and try to stay updated."



*Chairman Mogens Hugo's report was well received by the audience.*



*Vice-Chairman Alison J. F. Riegels was handed a bouquet of flowers for her 25 years in NORDEN's Board of Directors.*

#### **Would like more women in management**

Gunhild Hølmer, former professor of Biochemistry and Nutrition at the Danish Technical University:

"I have been investor in NORDEN for around 5 years with a varying number of shares. We have continuously adjusted to the development, and at one point, we stepped down. Now, we believe in the development again. The price means something, but the company's management and way to do business obviously also mean something. I would like to see more women in top management. The argument that NORDEN chooses on the basis of skills and do not want quotas is not good enough. I just do not think that you look far away enough from your own midst to find the competent women which are most definitely out there.



In Norway, quotas were introduced, and now, everything happens on its own. You can help along development, and not - as Mogens Hugo indicated at the general meeting - wait for it to solve itself. But it still goes for a lot of companies in Denmark that women are poorly represented in top positions. Besides that, I think that the chairman's report and the general meeting were really good. It is the second time I am here, and I will definitely be back."

#### **Many years of interest in ships**

Svend Jørgen Thomsen, former employee at different oil companies for 32 years, primarily within accounting:

"I generally attend a lot of general meetings after I have retired. It is the third time that I am attending a general meeting at NORDEN. I have a large interest in the share, which was recommended to me by a friend. I have not previously noticed the share until I was seated next to a person at a party who directed my attention the share. Ships have always been of great interest to me. As a boy, I was always walking on the harbour looking at ships so the interest for ships and shipping companies still sticks. I think that it was a very nice chairman's report that was presented today. Mogens Hugo did well."



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At [www.ds-norden.com/Investor](http://www.ds-norden.com/Investor), NORDEN continuously publishes information to the shareholders regarding the Company's activities.

By just one click of the mouse you can subscribe to company announcements, press releases, newsletters, NORDEN News (magazine), quarterly and annual reports and movie clips with CEO Carsten Mortensen's walkthrough of the latest financial results.

Approximately half of the share capital was represented at the general meeting, which, however, - despite the great turnout - was not sufficient to adopt one of the items on the agenda regarding amendment of the articles of association. These amendments were adopted at the extraordinary general meeting on 7 June.



Round table discussion. Ajay Niahavan, Tata Steel (India's largest producer of steel), Calcutta (left) and Peter Przybyl, broker for Tata Steel from Allseas Chartering, Hamburg, had a good talk with Finn Sørensen, Senior Chartering Manager in Handymax in NORDEN's Dry Cargo Department and Arun Jajodia, broker from Shiplinks New Delhi, which NORDEN has been doing business with for more than 20 years.



"Today, it feels right to have a party even though we are 17 months late," CEO Carsten Mortensen said to the 400 customers, partners, suppliers and friends of the house, who attended the Company's housewarming on a sunny day and moonlit night in May. First time the invitation was sent out was in the autumn of 2008, but the party was then cancelled as the crisis was an urgent priority for everyone and did not set the stage for partying. On the other hand, the programme for the housewarming, which included a tour on all floors in Tuborg's old brew house where NORDEN today has its head office, did just that. After the tour, a 4 course dinner was served, followed by entertainment and music by Caroline Henderson and Bobo Moreno among others.



Peter Norborg, head of NORDEN's Dry Cargo Department, enjoys a refreshment together with General Manager Hiroshi Sato from the trading house Itochu Corp.



2 CEOs in close conversation: NORDEN's Carsten Mortensen and Yukito Higaki from Imabari Shipbuilding Group, Japan's largest shipyard.



A crowded reception area where the guests are enjoying a drink before the dinner.



High spirits. (From the left) Ken Furuya (Mitsui Engineering and Shipbuilding, Japan), Tom Kinoshita (Imabari Shipbuilding, Japan), Klaus Vilstrup, Senior Advisor in NORDEN's Dry Cargo Department, Ally Chiu (Sincere Steamship Corporation, Taiwan) and Hisaharu Kodama (brokerage firm Sumitomo, Japan).

# TIME TO PARTY



Singer Caroline Henderson served up a soft medley of jazzy tunes during the dinner.



Chairman Mogens Hugo (left) and CEO Carsten Mortensen (right) from NORDEN in man-to-man marking of a former colleague from the Company – Lars Dencker Nielsen, now Global Chartering Manager at BP and based in London.



CEO Themis Papadopoulos from Cypriot Interiorient Navigation Co. Ltd. (left) enjoying himself with Joint Managing Director Paul Jennings from North of England (right).

# NORDEN NOTES



## Sakura festival without flowering cherry trees

This year spring was a long time coming and as a result cherries were not in full blossom when the annual Copenhagen Sakura Festival was held at Langelinie Park in Copenhagen. Anyway, 8-9,000 people had gathered under the branches of the 200 cherries (Sakura) which have adorned Langelinie Park since 2008 when they were donated by Seiichi Takaki, an H.C. Andersen ambassador, who makes Danish pastry in Japan. The Copenhagen Sakura Festival is arranged every year by the Copenhagen Sakura Festival Committee with the support of NORDEN, The Japanese Embassy, The City of Copenhagen and several cultural and private organisations.

## Garfish on silk hook

The garfish season starts in the spring and the fish with green bones enticed 25 NORDEN employees and their families to come to Elsinore harbour an early, misty Sunday morning in May dressed in rainwear, wellingtons and fishing rods. The fishing cutter HANNE-BERIT was not more than 20 metres from the harbour entrance, when garfish crowded around the stern. The garfish trick of using a silk hook turned out to work for Jan, the father of Shipping Trainee Danni Hansen. Jan was the first to pull garfish onboard and even got two at a time, for which he won one of the prizes of the day. A prize was also awarded for the Smile of the Day, which went to Kathrine, the daughter of Business Application Manager Michael Steinfeldt.



# VALUES AT WORK

NORDEN's 4 values are Flexibility, Reliability, Empathy and Ambition.

Below, 3 NORDEN employees each give their view on what the value "Reliability" means in everyday life in the cooperation between colleagues, partners and customers.

## Charlotte Nymark, Chartering Manager, Handymax, Dry Cargo Department, Hellerup:

"Reliability" is closely related to trust. Even though none of our 4 values should carry more weight than the others, "Reliability" is the value that means the most to me personally. It is an important value which creates a foundation in the company and which should be one of the more important links between employer and employee. Not until mutual reliability has been established internally is it possible to radiate reliability externally.

In the commercial department, "Reliability" is reflected in the daily work. We uphold creating reliability in the relations to our colleagues at the overseas offices as well as our external customers. It is important that our business partners and customers know what we stand for and that they can trust us all the way through. Often, a partnership, big or small, starts in the commercial departments, and we are responsible for creating the right frames and the right first impression. We have to induce reliability in the first phase and make sure that this is the thread during the whole cooperation. NORDEN is a well-known and not least respected name in the business, and a part of our common responsibility as employees is to make sure that all our partners associate NORDEN with "Reliability", among other things.



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## Congratulations to all.

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### Shipping Trainees to graduate on 31 July 2010

#### Hellerup

1 August 2010: *Michael Warming*, will transfer to Singapore as Assistant Chartering Manager, Dry Cargo.

1 August 2010: *Steffen Christian Lie*, to be employed in Hellerup as Assistant Operations Manager, Dry Cargo.

1 August 2010: *Mikkel Bondo Fagt*, will transfer to Singapore as Assistant Operations Manager, Norient Product Pool.

1 August 2010: *Jesper Fløe Nielsen*, to be employed in Hellerup as Assistant Operations Manager, Norient Product Pool and will be transferred to Singapore as Assistant Chartering Manager, Norient Product Pool, as from the first quarter of 2011.

1 August 2010: *Morten Mathias Bang*, to be employed in Hellerup as Assistant Performance Manager, Norient Product Pool and from the first quarter of 2011 as Assistant Operations Manager.

Danni Hansen has chosen another career path.

#### Shanghai, will graduate in Hellerup

1 August 2010: *Judy Chen*, will return to Shanghai as Assistant Chartering Manager, Dry Cargo.

1 October 2010: *Iris Yu*, will return to Shanghai as Assistant Operations Manager, Dry Cargo.

#### Singapore

1 August 2010: *Wee Teng Poh*, will transfer to Hellerup as Assistant Operations Manager, Dry Cargo.

1 August 2010: *Duanwei Wang*, will transfer to Hellerup as Assistant Chartering Manager, Dry Cargo.

#### Annapolis

Vanessa Anderson has chosen another career path.




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## Shanghai office changes name

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NORDEN's representative office in Shanghai changes name from NORDEN Tankers & Bulkiers (Shanghai) to NORDEN Shipping (Shanghai). The address and contact information remain the same:

Representative Office  
Office Tower, Unit 2504  
Golden Bund Financial Center  
222, Yanan Road East, Shanghai 200002  
Peoples Republic of China  
Telephone: +86 (0)21 63352000

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## Maria Helena Guimarães Ferreira, Administrative Assistant, Rio de Janeiro

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To me, "Reliability" means honesty, ethics and trust. I believe that reliability is an inherent human quality – either you got it or you do not. You do not choose to be reliable. When you build relationships, it is normal to have doubts at the beginning, because you do not know enough about the other party. Constant reliable actions and behaviour eliminate this doubt between colleagues, partners and customers, which then leads to trustful, solid relations. My own experience during the 7 years I have been working at NORDEN is that I have only met reliable colleagues on all our offices. From a local Brazilian point of view, at our small office, reliability has definitely been the key to all the many valuable relations which we have with our local customers today and which we have build up since the office was established in 2003.




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## Jan Ulrik Nielsen, Training Consultant, Human Resources, Hellerup

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To me, "Reliability" is to have integrity. You keep your promises and your word. In HR, we work with e.g. personal information of one kind or the other. It is important that we are trustworthy and that we treat everyone in the correct way. My two nice colleagues who work with NORDEN's business system Glomarix spend a lot of time on rectifying errors and validating data – and that contributes to reliability, both internally and externally – as we can trust our figures as a basis for our decisions. As a company, we have handled the economic crisis well and met our obligations – this is reliable behaviour towards customers in a time as unstable as the one we have just been through.



Søren Huscher

Kent Pischuitta

Oliver Ritz

Mads Eriksen

Michael Steinfeldt

Andy Koh

# EMPLOYEE NEWS

## Group functions

22 March 2010: *Eva Saxe*, 24, employed as Financial Assistant, Finance Department.

1 May 2010: *Mads Lindvig Malling Eriksen*, 33, employed as Analyst, Corporate Secretariat.

1 May 2010: *Pia Hem-Jensen*, 47, employed as Executive Secretary (temp).

1 May 2010: *Marie Beck*, 37, employed as HR Coordinator, HR Department.

1 May 2010: *Susanne Købler Carstens*, 42, employed as Assistant Claims Manager, Legal Department.

## Technical Department

1 May 2010: *Lea Tolver Bassett*, 25, employed as Assistant Crew Account Manager.

## Dry Cargo Department

14 April 2010: *Mads Haugaard*, 41, employed as Senior Chartering Manager, Panamax.

1 May 2010: *Stephan Korsgaard*, 30, employed as Operations Manager, Handy-max.

## Norient Product Pool

1 May 2010: *Jens Malund Jensen*, 41, employed as General Manager, Operations.

1 May 2010: *Martin Tarp Jørgensen*, 33, employed as Chartering Manager.

## Annapolis

1 May 2010: *Jan Andersen*, 51, employed as Port Captain.

## Singapore

19 April 2010: *Guo Lei*, 44, employed as Operations Manager.

24 May 2010: *Meng Jye Lim*, 38, employed as IT Supporter.

1 July 2010: *Andy Koh*, 40, employed as Operations Manager.

## Mumbai

15 July 2010: *Oliver Ritz*, 27, Assistant Chartering Manager, transferred to Hellerup and appointed to Chartering Manager.

## Site Offices

### New appointments

15 March 2010: *Lv Hong Bin*, 32, employed as Steel Supervisor, Jiangmen Nanyang Shipyard, China.

1 April 2010: *Van Pham Nghia*, 28, employed as Steel Supervisor, Hyundai-Vinashin

Shipyard, Vietnam.

3 May 2010: *Huy Trung Ngyuen*, 40, employed as Coating Supervisor, Hyundai-Vinashin Shipyard, Vietnam.

### Due to re-opening of Site Office GSI Shipyard, China, staff has been allocated as follows:

25 May 2010: *Michael Brodersen*, Site Manager, SSY Site Office, transferred to GSI Shipyard, China.

25 May 2010: *Zhang Shang Bing*, Hull Supervisor, SSY Site Office, transferred to GSI Shipyard, China.

### NORDEN's vessels:

6 April 2010: *Christian Willemoes Vium*, 43, employed as Chief Officer.

8 May 2010: *Rasmus Grubbe Olsen*, 35, employed as 3rd Officer.

8 May 2010: *Anders Kromann Frederiksen*, 37, employed as 3rd Officer.

12 May 2010: *Vagn Bach*, 54, employed as Chief Officer.

25 May 2010: *Christian Have Laursen*, 27, employed as 3rd Officer.

## Celebrations

### HR

1 June 2010: *Michael Steinfeldt*, Business Application Manager, celebrated his 10th anniversary.

### Dry Cargo Department

1 May 2010: *Kent Gino Pischuitta*, General Manager Projects, celebrated his 10th anniversary.

### Technical Department

23 April 2010: *Søren Westergaard*, General Manager, New Building, celebrated his 50th birthday.

29 April 2010: *Preben Høeg*, Purchasing Manager, retired.

### Norient Product Pool

1 May 2010: *Allan Wodstrup*, Senior Chartering Manager, celebrated his 10th anniversary.

15 May 2010: *Søren Huscher*, CEO, celebrated his 10th anniversary.

### NORDEN's vessels

12 July 2010: *Flemming Lentz*, Chief Officer on board NORD BUTTERFLY, will celebrate his 40th birthday.

20 July 2010: *Michael Sloth Madsen*, Captain on board NORD BUTTERFLY, will celebrate his 10th anniversary.



## New Head of Operations in Norient Product Pool

On 3 May 2010, Jens Malund Jensen, 41, took up the position as General Manager and Head of Operations with Norient Product Pool, one of the three largest product tanker pools in the world and jointly owned by Dampskibsselskabet NORDEN A/S and Interorient Navigation Company Ltd.

Jens comes from a position as Head of Operations for Product and Crude Tankers at A. P. Møller Mærsk, where he was in charge of the operation of more than 100 tanker vessels. He was employed by A. P. Møller Mærsk in 1993 as Deck Officer and held several positions with Mærsk Tankers during the past 15 years. Jens also worked in London for 4 years as an operator with Tankers International and since 2004 he held leading positions at the Mærsk Tanker operation in Copenhagen. Jens is trained as Captain and has supplemented this with relevant management courses



# FACTS

NORDEN is a global leader in tramp shipping and operates one of the world's most modern and competitive dry cargo and tanker fleets comprising close to 200 vessels at sea. Founded in 1871, NORDEN is one of the most experienced internationally operating shipping companies. Today, the name NORDEN stands for stability, reliability and long-term partnerships.

### Offices around the world

NORDEN is incorporated in Denmark and listed on NASDAQ OMX Copenhagen A/S. NORDEN has its head office in Hellerup, Denmark and local offices in Singapore, China, USA, Brazil and India. At its offices, NORDEN has 220 employees, and about 400 are employed on the company's owned vessels.

### Dry cargo

The company is one of the world's leading operators of Handymax and Panamax bulk carriers and has significant activities in the Handysize, Post-Panamax and Capesize vessel types.

### Tankers

NORDEN is active in the Handysize, MR and LR1 product tanker vessel types. The product tanker activities are operated through the 50% owned Norient Product Pool, which is one of the largest product tanker pools in the world. The remaining 50% is owned by Interorient Navigation Company.

### Financial highlights – 1st quarter of 2010

#### Profit:

The profit for the first quarter of 2010 was USD 63 million equalling DKK 381 million.

In the Dry Cargo Department, the coverage for the rest of 2010 and for 2011 is 81% and 48%, respectively, at mid-May, whereas the coverage in the Tanker Department is 50% and 27%, respectively.

#### Outlook:

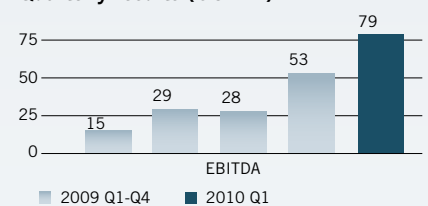
For 2010, EBIT is expected to be USD 185-235 million, and EBITDA is expected to be USD 200-250 million.

#### NORDEN's master data

Share capital	DKK 44,600,000
Number of shares	44,600,000
Denomination	DKK 1


Classes of shares	1
Voting restrictions	None
Stock exchange	NASDAQ OMX Copenhagen A/S
Ticker symbol	DNORD
Index	OMX Copenhagen 20 (OMXC20)
Bloomberg code	DNORD.DC
Reuters code	DNORD.CO

#### Quarterly results (USD m)



### Management

Chairman: Mogens Hugo  
 Board of Management:  
 Carsten Mortensen, CEO  
 Michael Tønnes Jørgensen, CFO  
 For more information: [www.ds-norden.com](http://www.ds-norden.com)



*NORDKAP, which was ice-reinforced in 2006, is today sailing to and from Port Alfred where bauxite and alumina are discharged and then sent by train. Only between 30 and 40 vessels can enter Port Alfred in the winter while this figure increases to approx. 100 vessels in the summer.*

# VESSEL DRESSED UP IN WINTER CLOTHES

293 tonnes of aluminium, USD 2 million, a project group of 5 men and 2 months' work at a shipyard are what it takes as a minimum to rebuild the Panamax vessel NORDPOL before sailing in ice. From the 4th quarter, the vessel is to be ready to sail for the aluminium producer Rio Tinto Alcan for the next 10 years.

What do you do when you have the cargo, but the period until winter is too short to build a vessel that can cope with the cold winter weather at the destination of the cargo? The answer to this is that you rebuild. NORDEN has just entered into an agreement with aluminium producer Rio Tinto Alcan to ice-reinforce the Panamax vessel NORDPOL. The agreement is a part of two new 10-year contracts under which NORDPOL and the already ice-reinforced Panamax vessel, NORDKAP, are to sail for Rio Tinto. In a short while, NORDPOL will be docked for rebuilding so that it can sail during winter in the area of St. Lawrence/Saguenay in Eastern Canada.

## **USD 2 million well spent**

Ice-reinforcing a vessel is no easy operation, but NORDEN gained experience in this field when the Panamax vessel NORDKAP was rebuilt – at that time also for the benefit of Rio Tinto Alcan. The project plan spans 2 months – including 6 weeks in dock and two weeks for equipment and deployment.

"It costs approximately USD 2 million to ice-reinforce a vessel. Together with Alcan we have assessed that the money is well spent when compared to ordering a new ice-reinforced vessel. Time-to-market is vital, NORDEN has the experience required and Alcan gets a vessel tailored to the conditions around Port Alfred. We have analysed the navigation conditions and decided to ice-reinforce the vessel in accordance with conditions. We have, for instance, chosen ice class 1C for the fore and mid-part of the vessel, ice class 1A for the aft part, and we will also mount a special "ice knife" on the stern,

which is not part of a standard design," says Senior Vice President Lars Lundegaard from NORDEN's Technical Department.

## **Experience worth more than the best equipment**

To follow the process during the entire rebuilding, NORDEN has set up a project group of Superintendents and Purchasing Managers with experience from the latest rebuilding, as well as crew experienced in sailing the ice-reinforced vessel NORDKAP in the area around Port Alfred.

"We have set a good team for the rebuilding. Experienced crew who knows how to sail these waters is worth much more than even the best equipment. Navigation conditions are particularly difficult in this area where the ice is both thick and hard and the winds freezing cold. The vessels are assisted by tug boats and icebreakers, but even the latter may find it difficult to break the ice. The ice is everywhere on the vessel, and there may be loading operations requiring special expertise," says Lars Lundegaard.

## **Chinese shipyard**

It has not been settled yet at which shipyard the rebuilding is to take place but it will probably be in North China. NORDPOL will be in that area in August when the rebuilding is to start. Also, since NORDEN has lately increased its staff in China by yet another site office, the Company can draw on supervisors from 5 Chinese site offices during the rebuilding which requires much supervision, and thus save time and money on long trips to and from Denmark.

## **Ice reinforcement**

In short, the ice reinforcement of NORDPOL consists of:

- Hull steel reinforcement: Ice class fore and mid-ship: 1C, aft ship: 1A
- Ice knife on aft ship (293 tonnes of aluminium)
- Heating of sea chest (intake area for ballast water)
- Accommodation heating (living quarters of crew)
- Ballast water management under arctic conditions (to avoid ballast tank water from freezing)
- Increased engine power: 14%
- Increased bunker consumption: below 1%