

NEW CONTRACT BEATS RECORDS

15-year agreement on transports across the Atlantic is the largest in Handysize so far.

Page 3

STRENGTHENED PLATFORM FOR COAL TRANSPORTS

Page 4-5

HANDSHAKE ON UN GLOBAL COMPACT AND NEW CLIMATE INITIATIVES

Page 7

34 YEARS AT NORDEN

Page 8-9



NORDEN calendar

5-7 January 2010

Officers: Seminar (in-house).
Holte

7-8 January 2010

Participation at Enskilda Nordic Seminar.
Copenhagen

12 and 28 January 2010

Stress seminars (in-house), NORDEN and
Norient Product Pool.
Hellerup

20 January 2010

Naming of third and fourth Handysize bulk
carrier (32,000 dwt) in a series of 10.
Jiangmen Nanyang Ship Engineering Co.
Ltd., China

10 February 2010

Naming of 55,500 dwt Handymax bulk
carrier.
Mitsui Engineering, Japan

16 February 2010

Silent period until publication of annual
report.

25 February – 3 March 2010

In-house survey, Company Performance
Drivers.

9 March 2010

Annual report 2009. Information meeting
and teleconference, etc.
Hellerup

10-11 March 2010

Presentation of the annual report.
Roadshow

Coverphoto:

NORD TOKYO (Handysize), naming
ceremony, Marugame in August 2009

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, Jesper Steen
Mortensen, Karina Skydt, Anne Thommesen
Layout and graphic design:
meyer & bukdahl as



THE LONG HAUL

We finish the year in fine style at NORDEN. In the last couple of days, our charterers in Dry Cargo have concluded two new COAs, which are so large that they employ well above 10,000 ship days in total.

In **Handysize**, we will from 2011 every year for 15 years be sailing around 30 shipments over the Atlantic, and a large and long-term contract like this is quite unusual in the Handysize vessel type, which is mostly oriented towards the spot market. Thus, we will have a solid base for the new Handysize Pool, which we are launching together with INC. Furthermore, we will, in **Handymax**, be transporting more than 6 million tonnes of coal from Indonesia to the Philippines, and this 11-year contract really emphasises NORDEN's strong position in the Indonesian coal market.

The two new contracts enter the **top 5 of long-term contracts** in NORDEN's history, and measured in volume, they are also quite considerable. The contracts confirm what we have seen during the last year: that more and more customers are tired of the heavy market fluctuations where the rates are racing down and up. Producers of raw material, power plants, industries and construction companies would like more predictable costs, and they want stability and security. Thus, more customers would like to enter into long-term contracts, and therefore, in addition to the two new contracts, NORDEN has entered into other contracts of 5, 10 and 15 years of duration since the autumn of 2008.

The long-term COAs and T/C contracts show that the customers and brokers have confidence that NORDEN will deliver the goods in an otherwise uncertain future. We are very pleased with this recognition. We are also pleased that the contracts provide a solid and predictable cash flow in a number of years and that it will be easier for our operators and charterers to plan and optimise voyages. Finally, the contracts fit well into our business philosophy. There has to be room for *bold moves* – to take short positions in the market when it is favourable – and you will be seeing more of that from our part in 2010. But the primary focus is the long haul and the **long-term employment** of the fleet.

In **Tankers**, we cannot tell you about new, long-term contracts. Right now, the focus in Tankers is on adjusting capacity, costs and processes to a market, which is extremely tough. But it is exactly when a market hits the bottom that it is most optimal to carry out offensive investments. So when we are planning the investments which are to secure NORDEN's long-term platform during these weeks, we allocate funds to both Dry Cargo and Tankers.

2009 has been demanding for all of us. But the challenges of everyday life should not overshadow the opportunities of the future. It is all about the long haul. That is the way it is in a cyclical business.

With these words, I would like to wish a merry Christmas and a happy and prosperous New Year to customers, business partners, employees, shareholders and everyone else who follows NORDEN.

CARSTEN MORTENSEN, CEO

NORDEN has entered into the so far largest contract in Handysize. The contract runs for 15 years and covers approximately 8,000 ship days.



RECORD CONTRACT ON CROSS-ATLANTIC TRANSPORT

In the first quarter of 2011, the first shipments of the largest contract NORDEN has ever made within the Handysize vessel type will take place.

The new agreement includes shipment of up to 12 million tonnes of cargo until 2025 and is estimated to employ approximately 8,000 ship days in Handysize. Following a start up phase in 2011, the number of cargoes to cross the Atlantic Ocean will amount to approximately 30 each year. Measured in number of cargoes this is the largest cargo contract in NORDEN's Dry Cargo Department, and measured in total quantity the contract is among the largest.

Unique agreement in Handysize

NORDEN entered into Handysize in 2006 and currently (mid-December) operates 25 vessels in a mix of owned as well as short and long-term chartered vessels. In January 2010, the activities will be undertaken by the new NORDEN Handysize Pool, which will also operate vessels from the pool partner Interiorient Navigation Company Ltd. In a few years, the pool will be operating 50-70 vessels.

Head of the pool, General Manager Christian Ingerslev, is pleased with the new COA, which he calls unique: "Handysize is more orientated towards the spot market than NORDEN's other dry cargo vessel types. It is very rare within Handysize that such major contracts are

offered which ensure long-term employment of the vessels on exclusive basis with a first class counterparty."

"The contract provides the new pool with a very solid foundation in its start-up phase, and it also offers us a well-founded platform for developing our business on the other side of the Atlantic as we are going to have far more vessels dedicated to that area as a result of the new contract," Christian Ingerslev says.

Christian Ingerslev can not comment of the rates in the new contract, but merely notes that the rates are beneficial to both parties and yields sound profit compared to e.g. the 5-year period market.

"It is very rare in Handysize that such opportunities arise to secure long-term coverage on an exclusive basis", Christian Ingerslev says.



CROWDED PORTS IN INDONESIA

Thermal coal from Indonesia is in high demand, and keeping track of a shipment can be a bit of a challenge. When others get lost, Mukhlisin Aziz knows where to go.

Economic growth in China and India has significantly increased the demand for thermal/steam coal used for generating electricity. Annual coal export from Indonesia has increased from approx. 57 million* mt in 2000 to expected 199 million mt in 2009, an increase of 249% over 9 years. Exporting 200 mt. in 2008, Indonesia has by far outpaced Australia as the largest exporter of thermal coal, and its share of total global thermal coal exports has now reached a level of around 33%.

7 shipments of thermal coal from Indonesia to the South of China in the first half of 2010 is one of the recent contracts made by NORDEN. The contract, which is signed with a new customer, a big Chinese metal and mineral corporation, is just a small example of Indonesia's growing export of coal.

The growth seems to continue, imposing heavy activity on Indonesian ports. It is not unusual for NORDEN's Senior Chartering Manager in Singapore, Mukhlisin Aziz, to get a call from a colleague in the business, who has lost track of a shipment.

Coal is a commodity in high demand boosting Indonesia's coal export with 249% over the past 9 years.

Time counts

"Time counts in shipping. A lot of money is at stake when the cost of a vessel can amount to up to USD 40,000 per day in the current market, so it is important not to miss a single day. By contacting the right parties in Indonesia, we would know the accurate vessel movement at the port, which will help us to arrange the cargo for the vessel on the next voyage." Mukhlisin explains. And he is the right person to go to to get the information. With close to 15 years of experience in the coal industry, Mukhlisin Aziz knows close to everything there is to know about Indonesia coal mining and exports and most key contacts in the industry.

FROM EXPORTER TO MAJOR IMPORTER

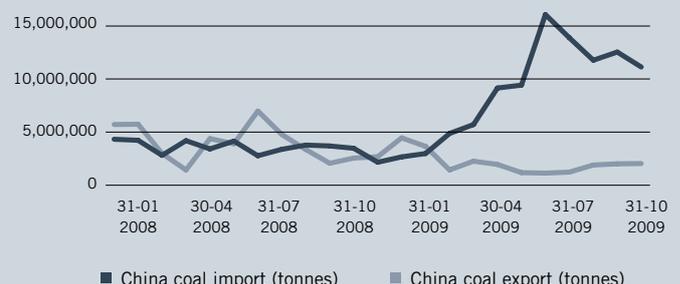
In 2008, China's export of coal exceeded the import by 4.5 million tonnes. In 2009, the balance has shifted so that the import has now outpaced the country's export by 83 million tonnes of coal. The country's own production is no longer enough to feed the growing appetite for raw resources.

The explosive economic growth in China has influenced the consumption of raw material to the extent where the country's otherwise considerable own production is no longer sufficient. Together with the continued large import of iron ore, it is especially the import of coal for Chinese power and steel plants, which continues to set new records. Only within the last year, China's import of coal has increased by around 240%.

"What is happening right now is actually just that consumption is increasing slightly quicker than the local production, and that results in a need for importing several million tonnes of coal. So,

in this perspective, it is not at all impossible that the tendency will continue," said Martin Badsted, Senior Vice President, Head of Corporate Secretariat, when NORDEN presented its financial report for the third quarter on 19 November.

China's import and export of coal





COAL CONTRACT STRENGTHENS POSITION IN SOUTHEAST ASIA

New contract is a good lever for the activities in Southeast Asia.

NORDEN will be transporting more than 6 million tonnes of coal to Cebu Energy Development Corporation's (CEDC's) new and large power plant in Toledo in the Philippines.

The first shipment from Indonesia takes place in February 2010, and the transports continue until the end of 2020. General Manager Thomas Jarde, Head of Chartering in Handymax, estimates that the contract will employ approximately 2,200 ship days.

The coal will supply CEDC's new 246 megawatt power plant based on clean-coal technology. The plant will gradually begin to be used in 2010, and the production is indeed very welcome. On the island Cebu specifically and in the Visayas region generally, there are presently power failures during peak load, and the security of supply has to be improved if the area is to be developed as planned with e.g. new companies and hotels as well as expansion of the large ship yard.

Thomas Jarde is looking forward to 12 annual shipments from Indonesia to the Philippines in the duration of the contract. It increases the coverage in Handymax on reasonable conditions and cements NORDEN's role in the Indonesian coal market.

Senior Chartering Manager Herman Tedja and Assistant Chartering Manager Jesper Rosenlund Nielsen from NORDEN's Singapore office have been instrumental in securing the new contract.

"In the long term, the contract may work as a lever for our activities in Southeast Asia. We strengthen the cooperation with the Indonesian coal mines. We get easier access to similar future projects in the region. And we will regularly have vessels in the Philippine ports which makes it possible to take more shipments from the area," says Thomas Jarde.

After finishing his management degree at the university in Indonesia in 1991, Mukhlisin started working for PT Kaltim Prima Coal, an Indonesian coal mining company, 50 % owned by the leading international mining group Rio Tinto. Mukhlisin spent 9 years selling coal, then 6 years as a charterer in Rio Tinto Shipping's chartering Department in Melbourne.

Eyewitness to steep growth

"Now I have been with NORDEN for 3 years, 4 months and 3 days," he says in the interview for this article, stressing the fact that he is used to being accurate when it comes to time count. Since 2006, he has been working to develop NORDEN's business in Singapore, South East Asia and Australia. The office in Singapore, where coal export is the largest business, opened in 1997 and has a staff of 26 people within Dry cargo and Tanker chartering, operations and vessel administration.

Having been part of the business for close to 20 years and having witnessed the development ever since the market took off when the first wave began in 1990, Mukhlisin Aziz is a valuable resource.

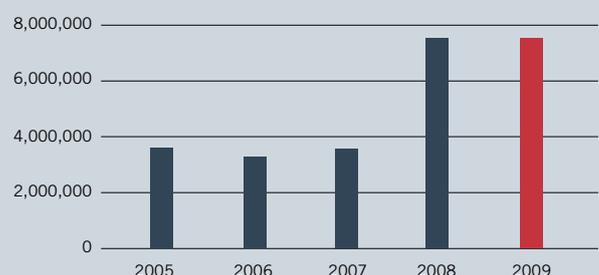
Long-term contracts

NORDEN is one of the dominant players in this region as NORDEN's Handysize, Handymax and Panamax dry cargo vessels carry more than 7 million mt of coal (coking coal and thermal coal) out of Indonesia every year.

"NORDEN is quite successful in concluding long-term coal contracts out of Indonesia. Some of the keys to success is solid knowledge about the market and good relations within the industry and then of course keeping a constantly open eye for opportunities and not putting all eggs in one basket," says Mukhlisin Aziz, pointing to Asia in general as a region of high potential.

*SSY monthly report November.

NORDEN's coal transports from Indonesia (tonnes)



CHALLENGES TODAY— OPPORTUNITIES TOMORROW

In the short term, the weak tanker market takes a lot of hard work and adjustments. On the other hand, NORDEN can take advantage of the low market for long-term investments in Tankers.



The vessels from Imabari make up the backbone in the current order programme

For the third time in two decades, the product tanker market has been hit by a massive imbalance where demand is decreasing and the supply of vessel is increasing. The rates are low, there is a shortage of cargoes, vessels are lying still for some days at a time or being used as floating storage, and slow steaming is wide-spread.

NORDEN and Norient Product Pool – which operate NORDEN's and Interorient Navigation Company Ltd.'s product tanker vessels – have answered back to the crisis by adjusting capacity and costs as well as streamlining processes. Among the initiatives are:

- NORDEN has redelivered 2 very expensive chartered LR1 vessels at the expiration of the lease period. This reduces the average costs in this vessel type by 20%.
- The operating costs for NORDEN's owned tankers have been reduced by approximately 7.5% in 2009 through a number of initiatives on board the vessels and in the Technical Department.
- Norient Product Pool has introduced a new IT platform, which has shortened and made several processes more flexible and which will result in cost savings of up to USD 2 million on an annual basis.
- The Pool has tightened the control of outstanding claims and has thus shortened the repayment period.
- Generally, the Pool has a tight cost control.
- Finally, the Pool can begin to charter a few vessels for very short periods of time at low charter hires, which correspond to the current low freight rates. On the other hand, the low freight rates make it difficult to increase future coverage significantly, if the conditions are to be reasonable.

"The Pool is doing better than its benchmarks, both on earnings and on costs. This leadership should be maintained as the market in 2010 may be as challenging as it is now," says Senior Vice President, Lars Bagge Christensen, Head of NORDEN's Tanker Department. On the positive side, the global oil demand is, however, expected to increase again in next year's market, and there may also be extra speed on the phasing out of single hulled tankers as a result of China's decision to close its waters for these vessels. But on the other hand, 2010 will also be a year with major deliveries of new vessels to the market.

Asset prices touching bottom

Currently, NORDEN has 8 MR product tankers on order. Partly, 5 vessels on long-term charter from Imabari Shipyard for delivery in 2010, partly 2 owned newbuildings from GSI for delivery in 2011 and finally 1 vessel on long-term charter from Shin Kurushima

Shipyard in 2012. In other words, NORDEN is beginning to glimpse the final pages of the tanker order book. And a slim order book and poor market conditions present an obvious opportunity to start expanding the order book again.

"Our long-term belief in the product tanker market remains undiminished. And from a somewhat cynical perspective, the crisis offers some fantastic opportunities which a well-capitalised shipping company such as NORDEN can take advantage of better than many other companies. After all, in a cyclical business it's a matter of investing when the asset prices touch bottom in order to gain the growth in value when the freight rates and asset values once again improve," says Lars Bagge Christensen.

Like in 1999 and 2002-03

Lars Bagge Christensen draws a parallel to the two last times during the recent two decades when NORDEN in weak markets decided to invest in an expected upturn. It was in 1999 when NORDEN contracted new vessels from Daedong/STX Shipbuilding. And in 2002-03 when NORDEN ordered the first Handysize product tankers from the Chinese yard GSI in the series of vessels which ended up including 8 owned vessels. In the following year after the contracting, the tanker market rocketed.

Lars Bagge Christensen cannot unveil any specific plans, but he can say that the Company is considering new long-term charters as well as acquisition of second-hand tonnage and nearly finished newbuildings from yard.



"The crisis offers some fantastic opportunities," says Lars Bagge Christensen.

Management expires

Aftalen om NORDENs kommercielle management af 5 MR produkttankere fra United Arab Chemical Carriers (UACC) ophører i løbet af 2010.

The agreement on NORDEN's commercial management of 5 MR product tanker from United Arab Chemical Carriers (UACC) expires in the course of 2010. "Our co-operation with UACC has been excellent, and we wish them nothing but good fortune in developing their company. In the short term, we have decided to focus our efforts in Norient Product Pool on the current pool partners' tonnage," says Lars Bagge Christensen.

THE BAR IS RAISED IN THE CLIMATE AREA

NORDEN raises the bar in the climate area. So far, the efforts on the vessels have been aimed at 14 focus areas, which have reduced CO₂ emissions by approximately 2.4% last year and 3.3% this year. But now, NORDEN will include another three areas:

- Electric boilers on the tanker vessels: Tests on a vessel have shown very solid results, and consequently, electric boilers will be installed on all the Company's tanker vessels in 2010. Expected effect: Around 3% reduction of fuel consumption and thus reduction of CO₂ emissions.
- Plan of introducing GreenSteam™ trim optimisation on four new Post-Panamax vessels in 2010 after successful tests on a tanker vessel. Expected effect: At least 2.5% reduction of fuel and CO₂.

- Plan of changing to new antifoulings, which reduce the vessels' propulsion resistance in the water. Has a potential of up to 2% reduction of fuel and CO₂.

"These are areas where there is good financial sense to reduce fuel consumption and at the same time reduce the strain on the climate and the environment," says Senior Vice President Lars Lundegaard, Head of the Technical Department.

Furthermore, on shore, a replacement of the lights in the head office with around 600 energy saving light bulbs has been initiated, just as all the country offices have been connected in a video conference network, which will result in fewer flights and thus reduced CO₂ emissions.

SIGNING OF UN GLOBAL COMPACT

Support to UN's ten principles in the areas of human rights, labour, environment and anti-corruption.

NORDEN has signed UN Global Compact – the global initiative for companies, which would like to work with social responsibility on the basis of the ten recognised principles.

"With the signing, we would like to demonstrate that we support the ten principles and that we can live up to the principles in our policies and in our daily practice," says Michael Tønnes Jørgensen, CFO and chairman of NORDEN's CSR Executive Body.

Systematic mapping

"Since 2007, NORDEN has worked determinedly with Corporate Social Responsibility (CSR), and in this work, we have been inspired by UN Global Compact among others. When we join UN Global Compact now – and e.g. not one or two years ago – it is because we have chosen a systematic approach to the area. Instead of only joining some of the principles, which any responsible company will agree with, we have chosen to map the company first - and compare our processes and practices with the ten principles. Therefore, we now have an overview of performance, challenges and opportunities in each area," Michael Tønnes Jørgensen explains.

Important eye opener

"The mapping has been an important eye opener and a good driver for our work. It has helped us to define the direction of our efforts from now on. So far, we have had a strong focus on environment and climate and on supporting the development of talents in the local areas. We will continue to do so – and also extend this work – but we will also spread out our efforts. Among other things, we are going to support more innovation projects and seek to qualify NORDEN for participation in the Dow Jones Sustainability Index," says Michael Tønnes Jørgensen.

"The aim of the efforts is to position NORDEN as a company which lives up to its responsibility – and which can document that this is actually done. In the long term, this will also give us a competitive advantage compared to the companies which do not work systematically with CSR, because customers and investors are increasingly putting forward minimum requirements for CSR in order to cooperate with the companies.

Therefore, we are going to extend our efforts and continuously report on new initiatives and the effects of these," says Michael Tønnes Jørgensen.

UN GC

UN Global Compact is supported by around 5,200 companies.
<http://www.unglobalcompact.org/>

STRIKING THE BELL IN FAREWELL

It was back then when typewriters had just been fitted with golf balls, and when many of the crew members on board the vessels went by funny nick names of Tuborg Jensen, Sleepy August and The Bone.

Preben Høeg, Purchasing Manager, looks back on 34 years at NORDEN.

The calendar reads 1 December, and the year is 1975. A record summer, where the temperatures hit approximately 36 degrees Celsius, is over, and the temperature is now touching zero. Anker Jørgensen is elected for the second time as Danish Prime Minister, Bohemian Rhapsody by Queen tops the charts, and the movie "One Flew Over the Cuckoo's Nest" won the Oscar for Best Movie. Christmas festoons decorate the high street and the many Christmas lights send their homely glow into the cold winter darkness. This small speck of encouragement is much needed as the oil crisis is dampening the Christmas spirit and threatening to reduce the Danish GDP by 1.2%.

Milk and soft-boiled egg

In a freshly ironed shirt and with well-groomed hair, Preben Høeg walks down the street in the morning darkness on his way to his first day on the job at NORDEN as assistant to the Company's superintendent. He has left his old job as ship engineer at B&W Shipyard and now steps into the newly renovated facilities at NORDEN's headquarters no. 49 Amaliegade where district heating has just been installed.

The polished shoes carefully tread on the green needle felt on the floor, and he takes his seat behind the grand and heavy desk in the rearmost of the Company's ten offices. In his bag he has his lunch which he eats later on in the company of his 10 new colleagues along with a glass of milk and a soft-boiled egg courtesy of NORDEN and served by the handyman Nielsen, who runs errands to the bank, files documents and altogether fills the role as the office's whipping boy.



Much needed fleet renewal

"Nielsen was the Company's most important man back then," Preben Høeg remembers, who was hired to take care of purchasing spare parts for NORDEN's vessels. At that time, the Company had at its disposal the dry cargo vessels m.v. NORDFARER built in Nakskov, Denmark, as well as m.v. NORDTRAMP and m.v. NORDPOL from the Japanese ship yard Mitsui-Fujinagata.

"Only shortly after, we also took delivery of m.v. NORDKAP from the same ship yard. These three bulk carriers were a much needed addition to NORDEN's well-known 10,000 tonners from Nakskov Shipyard," Preben Høeg explains, who quickly got more and more responsibility. In addition to purchasing spare parts, he was made responsible for the maintenance of the Company's property at Amaliegade. So when shortly after extensive fungal damage was uncovered, Preben was responsible for having large parts of the roof and brickwork replaced on the third floor.

Seafarers on the barricades

Preben was given another role as responsible for the crewing on board the vessels. "We had a lot of seafarers from Lolland, Denmark, where the Company's vessels had been built, and since we were not as many back then we knew most of the crew by name – many by their nicknames such as Sleepy August, The Bone and Tuborg Jensen. And we also hired many skilled seafarers from the Philippines," Preben says.



When Preben Høeg was hired in 1975, m.v. NORDFARER was one of the three bulk carriers which made up the Company's total fleet. The ship's bell is now hanging on the roof of NORDEN's new headquarters in Hellerup.

project was devised by B&W and the Norwegian ship owner Ugland. The vessel was to be built for Difko and to be sold in shares. The shares in vessels represented a new investment opportunity for the investors, and more and more Danes began to invest in vessels as it presented the opportunity to postpone the income tax.

NORDEN accepted the offer from B&W in order to develop its tanker experience and was allowed to organise a team of superintendents to go together with the superintendents from Ugland.

"Soon after, Difko suggested a new share project about building three additional product tankers which NORDEN was to have in technical management, and which were to be operated commercially from Norway. NORDEN accepted and signed a 5-year contract," Preben Høeg recalls.

NORDEN on the global map as charterer

Gradually, NORDEN had grown to a considerable size with a fleet of both bulk carriers and tankers. In 1988, CEO Jørgen Kruhl retired, and a new CEO, Steen R. Krabbe, was brought over from across the street at A. P. Møller.

"Krabbe had an industrious and enterprising spirit. Now NORDEN was going to be out on the global map, and the Company established a chartering department for dry cargo and tankers. We started building tankers in Korea and contracted bulk carriers in Japan. We had defied the crises and kept on expanding and little by little we took up more and more space at Amaliegade."

Great years

"It is funny to thinking about the fact that I started in a small ship owning company and I finish in a large chartering company. I have taken part in an exciting journey with NORDEN, which thanks to capable leadership and a great concept has weathered the storm. We have built vessels and sold them when there were buyers – we have earned well on this. There is no doubt that dry cargo has been the main force behind NORDEN's gradual growth. Our CEOs throughout NORDEN's history have had strong personalities and been living proof of NORDEN's values. As employees, we have always had first-rate role models in them and their families, and we continue to do so today," Preben says.

Next career move

Once again the calendar reads 1 December, and the year is 2009. The Christmas festoons decorating the high street, which Preben passes by on his way to work, now have energy saving light bulbs, and the financial crisis from 2008 is still smouldering. The way to work now passes by Amaliegade to NORDEN's new headquarters in Hellerup.

Preben is the employee among the shore-based staff who has been with NORDEN the longest. A lot has happened in the 34 years that have passed, and Preben has decided to make his next career move. When he turns 65 in April, he will wave his final goodbye to his now 219 colleagues on shore and a fleet now comprising approx. 175 wessels. He is then going to enjoy sailing around in his private yawl, spending time with his family and continue to pursue his interest in shipping.

The conflict with the seafarers' union flared at the end of the 70s. The seafarers protested against cutbacks, the lack of educational opportunities, as well as foreign seafarers on board the vessels, and in 1982, the seafarers' union squatted NORDEN and hang large banners on the building. The conflict affected most Danish shipping companies and went up and down for several years.

Gradually, more and more people started at NORDEN, and the dialogue with the seafarers' union was taken over by one of the two superintendents. Then Preben could once again focus on purchasing spare parts.

Saved by 10-year contract

The Mitsui type proved successful, and the Company agreed on at 10-year contract with a major Canadian exporter of cut wood. The Company felt like developing within the vessel type and ordered further two from Mitsui to be built at their new yard in Chiba.

"Other shipping companies also made orders, but the unfavourable times resulted in many newbuildings going directly from the yards to decommission. The oil prices were high, the freight market low, and so was the dollar exchange rate. The Company received some enormous blows, but we rod of the storm thanks to this contract," Preben explains.

First tanker vessel

In the beginning of the 80s, NORDEN was offered to lease a Panamax product tanker with purchase option from B&W Shipyard. The

NORDEN NOTES



Christmas in the Old Brew House

80 children, 90 adults, 1 Santa and 3 young elves jingled all the way at the traditional family Christmas party at headquarters. While the kitchen provided everyone with Danish doughnuts, traditional rice dessert with almonds and other delicious Christmas sweets, the young elves – who looked a lot like the first year trainees – handed out candy bags, played Christmas games and made Christmas decorations. And the combined efforts made it much easier for the youngest guests to bear the long wait for Santa. When he finally arrived, the amazing day ended with Christmas carols, dancing around the Christmas tree and presents.



New film for trainees

NORDEN has produced a new film for young people who consider becoming shipping trainee. The interactive film outlines what the education entails, what it requires and what it can lead to. The story is told by those who know it best – the young people who have either finished as trainees or are in the middle of their training. And they do not sugar code the fact that it can be tough, but stress that it is also very rewarding.

The film can be seen at www.shippingtrainee.dk, which has also been updated and made more user-friendly with a larger image field.

After New Year, NORDEN will hire new trainees, who are going to start their training after the summer holidays.

New dry cargo vessel type

On 30 October, NORDEN's first Post-Panamax vessel was named NORD DELPHINUS at a ceremony at Shanghai Shipyard. NORD DELPHINUS will be included in a new pool which will secure NORDEN and the Company's pool partner, Interorient Navigation Company Ltd., a leading position in the Post-Panamax market. With its cargo capacity of 85-120,000 dwt, the new vessel type is expected to fill a gap in the market between Panamax and Capesize. The pool will be launched in January 2010.



NORDEN 日本でのイベント

Football, golf, meetings, receptions, festivities, award ceremonies, a naming ceremony and lots more: the programme offered many different activities when NORDEN met with customers and partners in Japan in a busy week which culminated in the annual NORDEN Invitational event with a golf tournament and reception party in Imabari.

In front, President Yukito Hikagi (to the left) from the yard group Imabari Shipbuilding Co. is applauding together with President Hisaaki (Chaco) Masuda from the broker company Yamamizu Shipping Co.



Football in the heart of Tokyo: NORDEN's Dry Cargo Department met with a joint team from the shipping company Asahi Shipping Co., Kobe Steel and the broker company Marine Chartering (blue shirts) in a match which the hosts most hospitably let the Danish guests win. In front in the middle, Takeyoshi Kimura, former President and now Senior Advisor with Asahi.



Lining up for a group photo at Sunset Hills Country Club in Matasuyama, where the nearly 8-hour-long golf tournament took place in the bright sunshine.



CEO Carsten Mortensen at the naming of NORD IMAGINATION at Iwagi Zosen yard together with Kent Pischitta and Jesper Aalholm Pedersen from NORDEN's Projects department and the godmother Tine Gottschalk. The naming took place right after NORDEN Invitational.



General Manager Makoto Yamaguchi (to the left) from the broker company Sumitomo Corp. talking with Director Masafumi Okada from the yard group Mitsui Engineering & Shipbuilding Co.



Senior Vice President Peter Norborg from NORDEN and Manager Takayuki Hase from Marubeni Corp. kneading the dough for the ceremonial rice cakes during the reception party.



ON THE LOOKOUT FOR STARS

Scholarships and sponsorships improve visibility and thus NORDEN's chances to attract the most bright and talented students. Especially the cooperation with Shanghai Maritime University is a success.

On the sky, almost exactly above the North Pole, the Northern Star shines. For centuries, its bright light has been used for navigation by the seafarers. Its twin in the NORDEN flag probably does not shine quite as bright, but none the less, the symbol is known by many people. Between 60 and 80% have NORDEN as their first priority when the graduating students at Shanghai Maritime University (SMU) apply for traineeships.

Influence the education

The large influx of applicants is among other things due to a cooperation, which NORDEN initiated with the university in 2005, where NORDEN every year gives scholarships to five students and two professors of USD 2,200 and USD 1,100, respectively. Recently, the cooperation was extended with another five years. SMU is one of China's leading maritime educational institutions and is therefore a popular producer of young shipping talents.

"We have established the scholarships to get close to the students and to leave a mark on the university. We encourage them to work independently and share their opinions. They are not used to that, but they really appreciate to be listened to," says Group Senior Vice President for NORDEN in Asia, Peter Borup, who meets face to face with the students a couple of times a year when he conducts workshops in shipping strategy.

"Scholarships and sponsorships at the maritime educational institutions in Asia is money well spent," says Peter Borup, Group Senior Vice President for NORDEN i Asien.

Value for the money

The cooperation means a total annual investment of around USD 15-20,000, and according to Peter Borup, the money is well spent. "When we conduct workshops, it is not only the students who learn to know us - we also get a valuable insight into the thoughts and ideas of the students," says Peter Borup.

More initiatives in CSR efforts

NORDEN's involvement in the maritime educational institutions in Asia is a significant part of NORDEN's CSR efforts where NORDEN commit itself to develop talents within shipping management, logistics and safety directly and indirectly through foundations grants. The experience from Shanghai is good, and more initiatives have been launched:

- NORDEN has established a fund where NORDEN has donated SGD 200,000 (approx. USD 145,000), and the Singaporean government has doubled up. The interest is distributed as scholarships to the academically most gifted students of the around 70-75 students on the maritime education at Nanyang Technological University in Singapore.
- NORDEN sponsors a Book Prize of SGD 1,500 (approx. USD 1,100) to the best of the graduates every school year.
- NORDEN has sponsored SGD 50,000 (approx. USD 36,000) to the establishment of Singapore Centre for Maritime Studies (CMS), which opened in 2005.
- NORDEN sponsors a scholarship programme at Holy Cross of Davao College in the Philippines, which consists wof a scholarship to the four best third-year students in navigation and 20 scholarships to first-year students, who began their studies in 2008.



AN INSTANT ATTRACTION

It was love at first sight for maritime law student, Elaine Yu, when NORDEN's white star turned up at Shanghai Maritime University in 2005. Today, she is employed full-time at NORDEN and preparing for her next career step.

Elaine Yu is 25, bright, ambitious and dedicated to shipping. In 2007, she was one of 45 graduating students from Shanghai Maritime University (SMU) who applied for a traineeship at NORDEN, and she was one of the two who were lucky to get it.

NORDEN stood out

"My attention was brought to NORDEN during my studies in maritime law as NORDEN began to show up through the introduction of scholarships, award programmes and workshops. NORDEN stood out from the other sponsoring shipping companies being the only tramping company and representing a very different, non-hierarchical corporate culture," says Elaine Yu, who took a part-time student job in NORDEN Tankers & Bulkers, Shanghai, doing charter party checking. When she graduated in 2007, she commenced her traineeship with NORDEN.

Shipping is a lifestyle

"There is a saying that "shipping is a lifestyle". And it really is an attractive lifestyle to me. It is challenging, it is volatile, it is international and it takes both academic and technical skills. At NORDEN,

Elaine Yu graduated as trainee in October and was celebrated at a ceremony in Hellerup with fellow trainee Jay Chen.

the corporate culture is an additional benefit. Openness, objective leadership and willingness to listen to ideas constantly encourage you to achieve better results. I find that very rewarding," Elaine says.

Next stop Singapore

On 30 October this year, she completed her 2-year traineeship during which she spent the first year at NORDEN's Shanghai office doing Handymax- and Handysize chartering. The past year, she has been busy in Hellerup, Denmark, in many various functions in the Dry Cargo, Technical and Bunker Department. Currently, she works in the Dry Cargo Department, Panamax Operations, before making her next career move. In February, she transfers to NORDEN's Singapore office as Assistant Operations Manager in the Dry Cargo Department.



EMPLOYEE NEWS

Group functions

16 November 2009: *Troels Boysen*, 26, employed as Analyst in Corporate Secretariat.

Finance Department

15 October 2009: *Julie Rolskov*, 25, employed as Financial Assistant.

Technical Department

1 October 2009: *Lars Tørnqvist*, Port Captain, transferred from the Dry Cargo Department to the Technical Department as QA Manager.

Dry Cargo Department

15 October 2009: *Rasmus Saltofte*, Assistant Operations Manager, transferred from Operations to Handysize Chartering.

20 October 2009: *Marie Beck*, 37, temporarily employed as Secretary.

4 November 2009: *Ewa Nitschke*, Event Coordinator & Secretary, transferred to Control as Controller.

1 December 2009: *Gry Rostrup*, Chartering Manager in Shanghai, transferred to Chartering Manager in Capesize and Post-Panamax Chartering.

1 January 2010: *Henrik Lykkegaard Madsen*, 47, employed as General Manager

& Head of Projects in the Dry Cargo Department. All current employees in Projects will continue as part of the team.

Shanghai

2 November 2009: *Lynn Ling*, 26, employed as Documentation Manager.

Site Offices

New appointments:

1 November 2009: *Jinjin Pang*, 43, employed as Site Manager, Longxue Shipyard.

1 November 2009: *Jianjiang Liu*, 32, employed as Steel Supervisor, Longxue Shipyard.

15 November 2009: *Yunbao Li*, 31, employed as Paint Supervisor, Longxue Shipyard.

1 January 2010: *Morun Costel*, 42, employed as Hull Supervisor, Shanghai Shipyard.

Due to closing of Mitsui Tamano Site Office, the office staff has been allocated in this way:

1 December 2009: *Bent Mortensen*, transferred from Mitsui Tamano to Mitsui Chiba, as Site Manager.

15 December 2009: *Ralph Perttula*, transferred from Mitsui Chiba to Jiangmen Nanyang Shipyard, as Outfitting Supervisor.

Other in-house re-locations:

1 December 2009: *Anthony Ujung*, Electrical Supervisor, transferred from Jiangmen Nanyang Shipyard to Shanghai Shipyard.

1 February 2010: *Kim Hai Nguyen*, transfers from Shanghai Shipyard to Hyundai Vinashin Shipyard, as Site Manager.

Norient Product Pool

16 December 2009: *Julie Louise Nielsen*, 23, employed as Assistant Operations Manager.

NORDEN's vessels

New appointments:

19 October 2009: *Niels Børge Koføed Jensen* employed as Second Engineer.

6 December 2009: *Jesper Jensen*, 27, employed as Third Engineer.

10 December 2009: *Thorbjørn Koføed Gudum*, 27, employed as Junior Engineer.

20 December 2009: *Kim Krammer* employed as Second Engineer.

1 January 2010: *Alex Kristensen*, 54, employed as Second Engineer.

1 January 2010: *Casper Meilvang Andersen*, 23, employed as Third Engineer.

1 January 2010: *Philip David Bech*, 27, employed as Third Engineer.

Celebrations:

Corporate functions

1 December 2009: *Sture Freudenreich*, IT Manager, celebrated his 10th anniversary.

Technical Department

1 December 2009: *Jørn Andresen*, General Manager, celebrated his 20th anniversary.

Dry Cargo Department

17 December 2009: *Klaus Stamp*, General Manager, Bunkers, celebrated his 50th birthday.

NORDEN's vessels

26 February 2010: *Sten Roland Jørgensen*, Chief Engineer on board NORD MERMAID, will celebrate his 60th birthday.

28 February 2010: *Leif Nielsen*, Captain on board NORD THUMBELINA, will celebrate his 10th anniversary.

NORDEN FACTS

Dampskibsselskabet NORDEN A/S is a global operator of tanker and dry cargo vessels. Incorporated in Denmark, NORDEN is listed on NASDAQ OMX Copenhagen A/S. NORDEN was founded in 1871, making it one of Denmark's oldest internationally operating shipping companies.

Offices around the world

NORDEN has its head office in Hellerup, north of Copenhagen (Denmark) and offices in Singapore, China, USA, Brazil and India. At its offices, NORDEN has 219 employees, and about 400 are employed on the Company's owned vessels.

Business model

NORDEN has a clear ambition to position itself as a service company which delivers high quality to customers. In order to do this, we continuously develop our customer focus and adjust our portfolio of capacity and cargoes. Through our offices around the world, we approach customers locally and adapt our services to their needs. Furthermore, we focus on building long-term partnerships with shipyards and customers. A competent and dedicated staff is a prerequisite for our success.

Strategy

NORDEN has chosen a balanced approach to the difficult market conditions within the tanker and dry cargo segments as a consequence of the global economical crisis. In the short term, the Company has adjusted capacity, activities, costs and investments to the changed market conditions. Meanwhile, due to its financial strength, its reputation and its customer focus, NORDEN is also positioning itself to take advantage of any opportunities in order to strengthen its long term position.

Our vision

The preferred partner in global tramp shipping. Unique people. Open minded team spirit. Number one.

Our values

- Flexibility
- Reliability
- Empathy
- Ambition

Our mission

Our business is global tramp shipping. We seek excellence through a dedicated team effort from competent and motivated people. Through our values; we focus on customers who benefit from our constant commitment to being an independent long-term partner and; continue our long history of building valued relationships with shipowners and shipyards.

Dry cargo

The Company is one of the world's leading operators of Handymax and Panamax bulkcarriers and has significant activities in the Handysize and Capesize segments. The most recent initiative is the entry into the Post-Panamax segment in 2010.

Tankers

NORDEN is active in the Handysize, MR and LR1 product tanker segments. 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.

Corporate Social Responsibility – Environment

Safety and environment are high on NORDEN's list of priorities – the Company therefore operates only modern, double-hulled tanker tonnage and continuously works on minimizing propulsion resistance and optimizing fuel consumption on owned vessels. The Company has launched a more systematic approach to environmental and social sustainability in order to take a greater responsibility for safety at sea, occupational health, external environment, employee conditions and opportunities as well as other Corporate Social Responsibility (CSR) issues.

Financial highlights – result for 3rd quarter of 2009

Profit: The net profit for the third quarter of 2009 was USD 37 million and year-to-date USD 169 million. NORDEN still expects that the fourth quarter will be the best quarter of the year earnings wise.

Outlook: For 2009, EBIT is expected to be USD 150-160 million.

ADDRESS

Dampskibsselskabet NORDEN A/S
52, Strandvejen
DK-2900 Hellerup
Denmark

Telephone no.: + 45 3315 0451
www.ds-norden.com

MANAGEMENT

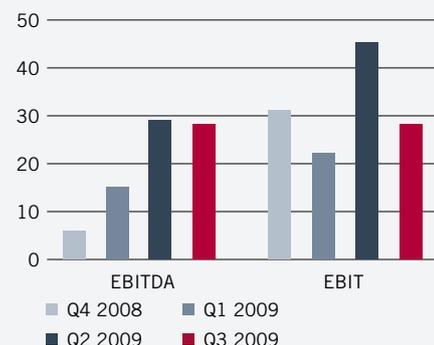
Chairman
Mogens Hugo

Board of Management
Carsten Mortensen, CEO
Michael Tønnes Jørgensen, CFO

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
ISIN code	DK0060083210
Index	OMX Copenhagen 20 (OMXC20) Nordic Large Cap
Bloomberg code	DNORD.DC
Reuters code	DNORD.CO

Quarterly results (USDm)



NEW CHALLENGES FOR OIL TRADERS

In 2009, NORDEN used approximately 900,000 tonnes of bunkers. The Company's three man Bunkers Department is responsible for all purchase and price negotiation of the many tonnes of bunkers and for meeting the many new environmental requirements.



Klaus Stamp (to the left), General Manager, and Anders Borella Jørgensen, Bunkers Manager make up two thirds of the Bunkers Department, striving to achieve average sulphur content in NORDEN's bunkers of below 2.3%. Michael Wulff, Bunkers Assistant, make up the third missing on the photo.

"Due to the generally high oil prices and price fluctuations on bunkers of close to 5% on the same day, there is a lot of money to be saved by keeping your finger on the pulse, buying at the right time and avoiding mistakes in connection with the order and the delivery," says Klaus Stamp, General Manager and head of NORDEN's Bunkers Department.

On average, one NORDEN vessel receives 500 metric tonnes (MT) per bunkering. At a current price of approximately USD 450/MT in today's market, this equals an investment of approximately USD 225,000 at each of the more than 1,600 bunkerings a year.

Risk hedging

"Naturally, we attempt to buy bunkers physically when the prices are advantageous – and we are successful at that. In addition, we limit NORDEN's risk on future contracts (COAs) by dealing bunkers in the securities market, but we do not speculate in prices, and we do not take any chances. We hedge the risk of price increases and decreases by buying bunkers at agreed prices at a given time in future. Approximately one third of NORDEN's bunker purchase is hedged this way," Klaus Stamp explains.

Cooperating with the operator and the vessel, the Bunkers Department must also make sure that the right quantity of bunkers is received and that it has the right quality, so that it does not cause machine problems or, worst case scenario, machine damage or violation of environmental requirements. Using external bunker surveyors at a number of ports during bunkering as well as extractions of oil samples are also contributing factors in avoiding such problems.

More complicated

As many new environmental requirements are being introduced, e.g. within the sulphur area, more and more types of bunkers are being used. The chosen type and its sulphur content depend on where the vessels will be sailing. In 2009, NORDEN aims to achieve average sulphur content in bunkers of below 2.3%, and the annual average by end-November 2009 was at 2.25%.

"The new environmental requirements make it somewhat more complicated to buy, order and manage the vessel's need for the different types of bunkers. But the different oil types are well described in the international standards, and the availability of the different types of bunkers is generally reasonable. The prices for these types of bunkers are, however, markedly more expensive – typically between USD 20 and 50/MT," Klaus Stamp explains.

Great challenge

It will be a great challenge for the shipping business, the maritime industry and oil business to match the requirements of 0.1% sulphur from 2015 in SECA and 0.5% sulphur from 2020 in international waters, Klaus Stamp believes.

"It is expected that there will be fierce fighting for the volumes which can be delivered in 2020, if at all there is enough to be delivered. All things being equal, it may lead to major price increases. Experiments are therefore already now being conducted to find other ways of removing the sulphur from the oil, e.g. by use of scrubbers that "wash" the exhaust gas from the vessels' engines with water in order to extract the sulphur. We will probably see more of these kinds of experiments in the coming years," says Klaus Stamp.