



THE DRY CARGO TEAM HAS BEEN SELECTED

Newly appointed Executive Vice President Peter Norborg and his department counting 100 employees are ready to capture market shares among the large industrial customers across the world.

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NORDEN calendar

14 December 2010

Naming of 82,000 dwt Handysize dry cargo vessel
Guangzhou Longxue Shipyard, China

21 January 2011

Naming of 110,000 dwt Post-Panamax dry cargo vessel
Mitsui, Chiba, Japan

24 January 2011

Naming of 116,000 dwt Post-Panamax dry cargo vessel
Sanoyas Dockyard, Mizushima, Japan

Early February 2011

Naming of 37,000 dwt Handysize dry cargo vessel
Hyundai Mipo, Vinashin, Vietnam

9 February 2011 – 2 March 2011

Silent period preceding the publication of the annual report

2 March 2011

Annual report 2010

10 March 2011

Naming of 60,000 dwt Handymax dry cargo vessel
Oshima, Japan

Mid-March 2011

Naming of 32,000 dwt Handysize dry cargo vessel
JNS, Jiangmen, China

Mid-March 2011

Naming of 50,500 dwt MR product tanker
GSI, China

Cover photo

Peter Norborg, Executive Vice President and Head of the Dry Cargo Department, and part of his staff in the office in Hellerup.

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A PROFITABLE DECADE

When we soon start the year 2011, we have also finished the first decade in this millennium. Others besides me have taken this opportunity to look back a bit further than only a year and have worked out that the NORDEN share has been the best performing share in Denmark with an increase of 1319%. And NORDEN's accounts tell us that we – with the help of strong tail wind in large parts of the decade – have increased our market value from less than DKK 100 million to DKK 9 billion and our revenue from DKK 1.8 billion to DKK 9.1 billion during the period 2000-2010 (end September). So what else can you say than NORDEN had a good start to the millennium?

We are and have been good at making money, and we should not just sit on them. They should come to the benefit of our shareholders, and they should be invested in future growth. We have just announced a proposal from the Board of Directors to initiate a buy-back of shares at a value of USD 30 million and to pay out total dividends of USD 60 million, corresponding to approximately DKK 8 per share, to our shareholders in connection with the annual general meeting in April 2011. In addition to the investments which were already planned at the beginning of the year, we have purchased 6 product tankers, exercised purchase option on 4 dry cargo vessels and contracted 4 dry cargo newbuildings in 2010. In other words, we have sent out a total of DKK 415 million to work for us in 2010 in the expectation that we will benefit from this when the markets improve.

I look forward to starting a new decade which we kick off with our 140th birthday. In 2011 we have been around for 140 years, first as a shipping company, and now both as a ship owner and operator. In addition to long-term experience, we have a strong organisation, a well-proven business model, loyal customers, financial strength and systems prepared for quick responses to changing markets. Then we cannot get a better starting point for another profitable decade.

I wish you all a merry Christmas and a happy New Year.

CARSTEN MORTENSEN, CEO

24 CARGOES OF WOOD CHIPS TO VATTENFALL OVER A 3 YEAR PERIOD

NORDEN has just entered into a 3-year COA with the Swedish energy group Vattenfall for the transportation of approx. 600,000 tonnes of wood chips from rubber trees in Liberia to power stations in Europe. This is NORDEN's second major COA for the transportation of sustainable fuel.



The worn-out rubber trees are logged and prepared for chipping before being exported and used for energy production in for instance Europe.

A rubber tree is productive for approx. 30 years. After that the tree will be felled and a new planted if the rubber production is to continue. However, not many rubber tree farmers in Liberia can afford to log rubber plantations, and today there are ten thousands of ailing rubber plantations distributed on over 600,000 ha of Liberian land. Luckily, the story does not end here.

From waste to biofuel

The company Buchanan Renewables, based in the Netherlands, has seen the possibility of establishing a genuinely sustainable business based on waste rubber trees. Without any cost for the plantation owners, Buchanan Renewables builds roads and infrastructure in Liberia, logs plantations, plants new rubber trees and grows crops that can feed the farmers in the 7 years it takes before the rubber trees can produce rubber. The old rubber trees, which were previously a waste product, are now processed into wood chips, which are exported to power stations in Europe.

"We are happy to enter into this kind of contract with a company like Vattenfall. Vattenfall is an attractive counterparty and the contract falls within one of our core competencies of transporting raw material for energy production and gives us a stronger foothold within the growing business for biofuel," says Assistant Chartering Manager Owen Mulford, NORDEN's Dry Cargo Department.

Customer with green ambitions

One of the importers is Swedish energy group Vattenfall, which has now entered into a long-term contract with NORDEN for the transportation of 600,000 tonnes of wood chips from Liberia during the next 3 years. The agreement comprises a total of 24 cargoes of 25,000 tonnes each, with 4, 8 and 12 Handymax cargoes in 2011, 2012 and 2013, respectively. Vattenfall's import of wood chips is part of the group's efforts to reduce CO₂ emissions by replacing coal and gas by CO₂ neutral fuel. Vattenfall aims to reduce the use of 'hard coal' by 40% in the company's power stations in Denmark, Germany, Poland and Holland before 2020

First partnership agreement between Vattenfall og NORDEN
The partnership agreement, which is the first between Vattenfall and NORDEN, was established through a Danish broker. "Our motivation for contracting with NORDEN has a number of facets. Aside from economics, our decision has also been driven by the facts, that NORDEN is known for their consummate professionalism and has a mindset that can cope with the fact that this is green field business and can contribute in a valuable manner towards creative solutions that enhance flexibility. Adding to this, NORDEN is a company of proven individuals with an enviable degree of solidity and company values that provide a high level of confidence when entering into a contract of longer duration," says Clint Christensen, Coal Purchasing Agent at Vattenfall.

Getting a foothold in the biofuel transport market

The target of EU member states to reduce CO₂ emissions by 20% in 2020 will boost demand for sustainable fuel. EU expects that efforts to reach the 20% target will push up demand for bioenergy to around 195 Mtoe (Million Tons Oil Equivalent), which is twice as much as the figure for 2007. Moreover, EU member states are negotiating whether ambitions should be raised and CO₂ emissions reduced by 30% before 2020.

NORDEN is already now getting a foothold in the market for transportation of CO₂ neutral and sustainable fuel to replace coal, gas and oil.

In addition to the new contract with Vattenfall, NORDEN has another long-term contract for the transportation of sustainable fuel. According to an agreement with RWE Innogy, NORDEN is to transport up to 12 million tonnes of wood pellets across the Atlantic until 2025, with an estimated number of 30 voyages in Handysize. Shipments will begin in the first quarter of 2011. The agreement, which is the largest COA in Bulk in terms of cargoes, was published in December 2009.

A CHARTERER MUST BE SURE OF HIS SUPPORT BASE



Team spirit. Christian Ingerslev, Dry Cargo Department, Jens Christensen, Technical Department, and Henrik Lykkegaard, Projects, worked closely together during the last few months across their departments to conclude the contract with Rio Tinto.

A long-term contract, a long standing customer relationship and a solution tailored to customer needs: The latest contract with Rio Tinto is a school example of NORDEN's business model and a successful inter-organisational project.

We go back in time to May when the first negotiations were held with Rio Tinto. The international aluminium producer was on the outlook for 2 new Handysize vessels equipped to sail in the icy waters of Eastern Canada and meeting the special vessel loading requirements of certain ports.

NORDEN did not have 2 vessels with such unique specifications on the shelves so at first the charterers in the Handysize section of the Dry Cargo Department were not able to deliver the solution required. However, intentions were in place because of the good relations that had existed between Rio Tinto and NORDEN for more than 7 years.

The Technical Department was involved to contribute their experience with ice reinforcement projects and knowledge of the requirements that had to be met. The Projects section of the Dry Cargo Department was also involved and offered to find a yard that could deliver the vessels requested and – in cooperation with NORDEN – make the desired technical adjustments to the traditional Handysize vessels.

Then the project was speeded up and many hours were spent on coordinating and negotiating with the customer in Singapore and Australia, the shipyard in Japan and colleagues in Hellerup and Singapore.

"We usually have the vessels we need in order to contract with our customers – and if not, we charter them for the purpose. But this was a special situation as there were no ships on the market with the required specifications. So we conducted parallel negotiations with the shipyard and the customer. We had to watch our step in order to work out the overall solution, and it has definitely been a challenging and educational process all the way," says Christian Ingerslev, General Manager of NORDEN's Chartering Section for Handysize.

On Friday 3 December the pieces fell into place and the contract was published in a company announcement to NASDAQ OMX Copenhagen.



More than 100 contracts with the same customer

Since the first contract was entered into with Rio Tinto in November 2003, NORDEN has concluded more than 100 short and long-term COAs with one of the largest mining and exploration companies in the world.

The contract for the tailored vessels to Rio Tinto is part of the Dry Cargo Department's strategy to expand business with solid, global cargo owners by entering into long-term COAs or charter agreements. NORDEN has sailed for Rio Tinto for over 7 years, transporting cargoes of bauxite, coal, iron ore, magnetite and salt between Australia, Europe, Asia, Canada and USA.

NORDEN TAILORS 2 DRY CARGO VESSELS FOR RIO TINTO

The partnership between Rio Tinto and NORDEN has been further strengthened with a new long-term charter agreement for 2 newbuildings with special specifications.

Rio Tinto, one of the world's largest dry cargo charterers, will receive the first of 2 Handysize vessels in 18 months. The vessels are being built by NORDEN at Japanese Onomichi Shipyard. The second vessel will be delivered by the shipyard during the first half of 2013. Rio Tinto will charter the 2 newbuildings for a long-term period, and the contract is expected to generate a total operating profit (EBITDA) of approx. USD 60-70 million for the entire contract period.

Experience with ice reinforcement

According to the contract, NORDEN will share its experience in designing ice reinforced vessels with the shipyard. NORDEN will assist in the construction and will deliver 2 vessels specifically tailored to meet Rio Tinto's requirements for transporting alumina from Latin America to aluminium producers in Eastern Canada.

The hulls will be strengthened to ice class 1B in order to sail on the Saguenay River where vessels navigate with the assistance of icebreakers, and the ice may be thicker than 1 metre. Sailing in icy waters requires increased engine power, strengthened hull and propeller, accommodation heating (living quarters of crew), ice knife on aft ship and also larger sea chests with steam intake to avoid that they are plugged up with slush ice.

Adjusted loading facilities

Besides ice reinforcement, it is necessary to make additional adjustments to navigate in these areas. In some ports, loading facilities require ships to have a relatively low air draft (the distance from the surface of the water to the highest point on a vessel). Consequently, the mid cargo hold of the 5 holds on the vessels has been strengthened, and by filling the cargo hold with ballast water the ship will sit deeper in the water.

This is the second long-term charter agreement made in 2010 between NORDEN and Rio Tinto for ice-reinforced vessels that will be sailing in Eastern Canada. Earlier this year, the 2 Panamax vessels NORDPOL and NORDKAP were chartered out to Rio Tinto for 10 years, and the first voyage under this contract took place during the fourth quarter of 2010.



Ice sisters. NORDEN has extensive experience with ice reinforcement of dry cargo vessels. NORDPOL, here lying abreast its sister vessel NORD NEPTUNE, has just been ice-reinforced and is leaving for Rio Tinto today.

NORDEN ON PURCHASING SPREE

NORDEN has joined the new company SeaMall as co-founder and co-owner. SeaMall is a purchasing cooperation between 5 shipping companies to begin with.

"Our Purchasing Section is doing really well, but it almost goes without saying that if 5 large shipping companies pool the purchases of e.g. paint, lubricating oil, provisions, spare parts and services for their ships, there should be a potential for economies of scale and more profitable contracts. We believe that SeaMall can develop into a very interesting purchasing platform which at the same time can provide us with additional information about suppliers and market conditions", says Senior Vice President Lars Lundegaard from the Technical Department of which Purchasing is part.

SeaMall is based in Svendborg (Denmark), and apart from NORDEN, the initiative is supported by the Danish shipping companies Clipper, Nordic Tankers and Herning Shipping as well as the Hong Kong-based Pacific Basin. These shipping companies have a total fleet of more than 250 vessels and operate in several vessel types.

As soon as SeaMall's systems are implemented and have found their final design, the idea is to invite more shipping companies to join the cooperation.



NORDEN will pay out DKK 505 million to the shareholders

NORDEN's Board of Directors will propose to the annual general meeting on 11 April 2011 that a dividend of DKK 8 per share will be paid out for the financial year 2010, corresponding to a total return of DKK 335 million and a dividend yield of 4.1% based on the share price on 14 December 2010.

Furthermore, the Board of Directors has decided to initiate a buy-back of shares at a value of DKK 170 million. Find more details on dividends and buy-back of shares on: ds-norden.com/investor.

2 annual report awards to NORDEN

NORDEN received both the Annual Report Award and the Best Annual Report Award for listed OMXC20 companies when the leading Danish business newspaper Dagbladet Børsen and the Institute of State Authorised Public Accountants in Denmark (FSR) handed out awards in October. Chairman of the award committee and state authorised public accountant, Eskild Nørregaard Jakobsen, gave the following reasons for giving the award to NORDEN:

"It is the award committee's opinion that NORDEN has prepared a consolidated annual report of very high quality, which also contains a number of improvements on previous years. (...) NORDEN openly describes corporate social responsibility, and it is the award committee's opinion that the outlook for 2010 is described in a sober manner. In respect of the financial statements, the audit committee emphasises the good and adequate note on significant accounting estimates, which is separated from the accounting policies decisions made by the Management. Also, NORDEN's note on risk management is very comprehensive, informative and relevant considering the financial crisis."

The decade's best performing share in the C20 index

Even though the price development of the NORDEN share has been rather flat in 2010, the share has in total increased by 1319% in this decade and is thus in the lead as the best investment in the C20 index. This is the result of a survey made by Nordea on behalf of the Danish Børsen television. The survey "Investor 1600" also shows that 2010 has been the second worst decade ever for shares, measured in Danish kroner. However, the Danish share market has done better than average as Danish shares have increased by 84% whereas global shares have decreased by 16%.





TANKER DEPARTMENT RE-CHARTERS 7 VESSELS AT LOWER RATES

The Tanker Department has extended its cooperation with Turkish Geden Lines on chartering of 7 Handysize product tankers for another year. Rates are 40-45% lower on average than the contracts which have now expired.

2 recently negotiated agreements with Turkish Geden Lines for chartering of a total of 7 modern product tankers contribute to a considerable reduction of fleet costs in the coming year. The new contracts are examples of the fact that NORDEN wishes to build on the close cooperation with Geden Lines, which is one of the Tanker Department's largest suppliers of time charters.

Close to halving of rates

The first contract, which was concluded earlier this year, comprises the 4 product tankers ACOR, CARRY, ROVA and COTTON. The latest contract, which has just been concluded, comprises the 3 product tankers CARGO, ROCK and ROCKET. The original contracts reflected a strong 3-year market before the financial crisis of typically USD 19-21,000 per ship day, whereas the new contracts reflect the decrease in the period market where a 1-year charter of this vessel type is estimated to be around USD 11-12,000 per ship day.

Advantage for both parties

NORDEN concluded the first contracts with Geden Lines for the 7 Handysize vessels in 2006 and 2007, respectively – with delivery of the vessels in 2007 and 2008. At that time, the contracts were concluded for 3 years at a time. The new contracts are 1-year contracts and reflect the many deliveries to the world fleet in previous years and the generally lower rates in the tanker market in the wake of declining demand for refined oil products resulting from the crisis.

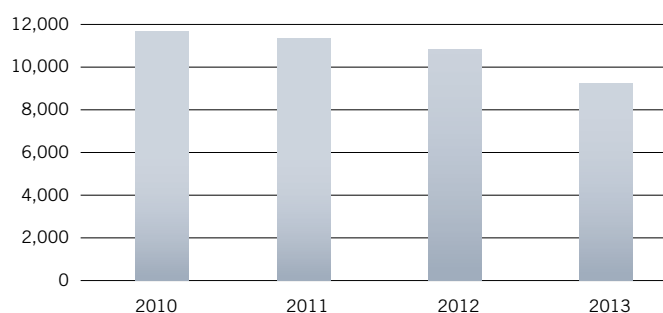
"In cooperation with Geden, we have found a solution where they get the opportunity to extend their charters to us in a challenging market, and the vessels are made available to us at reasonable rates," says Senior Chartering Manager Andrew McPhail in NORDEN's Tanker Department.

Operated by Norient Product Pool

The 7 product tankers are all in the popular 37,000-38,000 dwt. design and were built in 2007 and 2008 at the yard Hyundai Mipo, Korea. The vessels primarily sail in Europe and are operated together with NORDEN's owned Handysize tanker vessels through Norient Product Pool. The pool operates a total of 72 vessels from NORDEN and Interorient Navigation Company Ltd. of which 43 are Handysize, 26 MR and 3 LR1. Furthermore, Norient Product Pool has 4 MR tankers on order for delivery during the next 2 years.

The contract with Geden Lines is an example of the Tanker Department's efforts to reduce costs. Below the average costs have been calculated per 30.9.2010.

Cost for gross capacity, USD per day



YOU MUST REMEMBER TO BREATHE

Peter Norborg was put to a serious test when he was appointed to take over the responsibility of the Dry Cargo Department in 2008. The Financial Group, Lehman Brothers, crashed at the same time and markets nosedived. The test is passed and Peter Norborg now moves closer to the top management as Executive Vice President.

Summer 1998. The August sun shines on the two men in the garden chairs. One is called Carsten Mortensen and is head of the Dry Cargo Department in NORDEN; the other one is called Peter Norborg and is a charterer in J. Lauritzen. Carsten suggests that Peter changes jobs and becomes a charterer in NORDEN, which at the time is a smaller shipping company within the dry cargo segment with 3 operators, 4 charterers and a trainee on land and 18 vessels at sea.

"It was a concern for me, if NORDEN was big enough for me to make a career for myself but as Carsten told me: Only we decide how big it should be. And you must say that he turned out to be right," says Peter Norborg. Today, Carsten Mortensen has been CEO for soon 7 years and Peter Norborg is in charge of the Dry Cargo Department which has 100 employees globally, 5 overseas offices and a dry cargo fleet counting just over 180 vessels.

There is always a solution

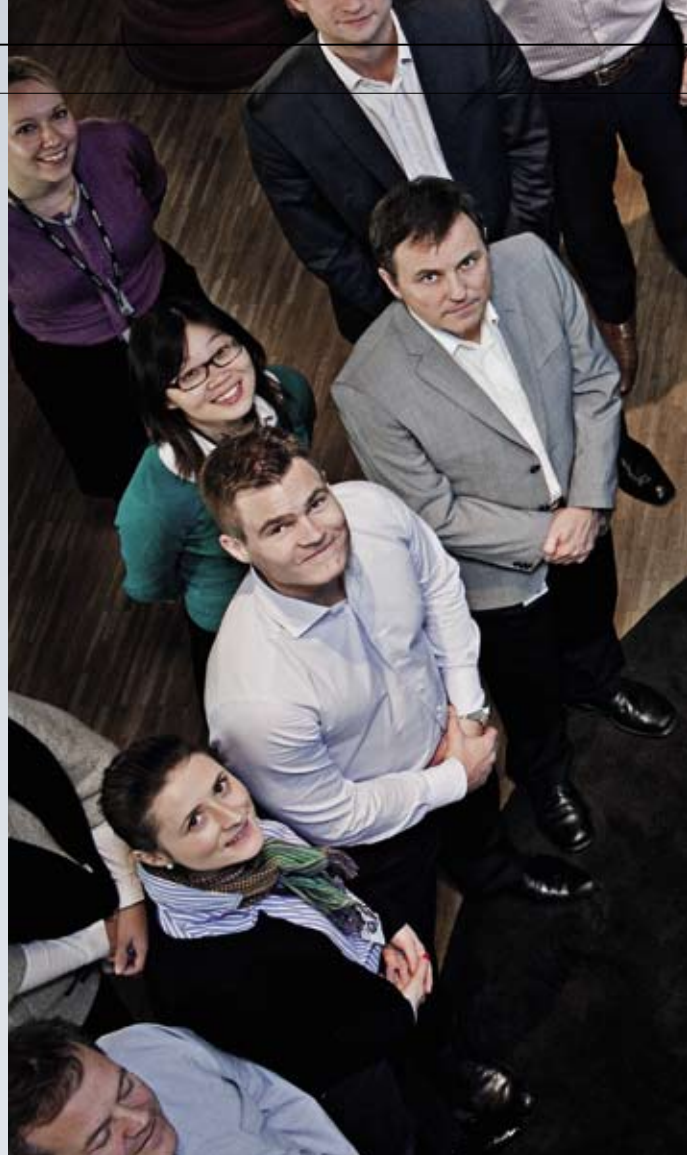
Peter Norborg took over responsibility of the Dry Cargo Department in 2008, just 2 days after Lehman Brothers went bankrupt. The crisis made the freight rates collapse, and the customers that NORDEN had spent 10 years building relationships with found it more and more difficult to fulfil their obligations. After years with steady growth, Peter's first huge task a couple of months into his new job was to inform the management that the expectations to the year's earnings would hardly be met. The challenges that arose in the following time could have knocked even the best man off his perch, but not Peter Norborg who sticks to one simple rule when the barometer is at adversity:

"I once had a diving instructor who told me that the majority of all diving accidents occur because people forget to breathe and think about finding a solution. I have often thought about that along the way," says Peter Norborg.

In NORDEN's case, the solution was hard and systematic teamwork in the department, close cooperation with the top management and the Legal Department to find reasonable solutions with crisis stricken customers and focus on losing as little as possible.

Prepared for good times and bad

The ability to remember to breathe and focus on the fact that there is a solution when challenges pile up is not the only ability that Peter Norborg possesses. When you ask people around him in the Dry



Cargo Department it becomes clear that he is a man who speaks his mind, is an unyielding negotiator, a loyal and empathetic manager, a jolly colleague and more of a practitioner than a theorist.

Despite the fact that he has just been appointed Executive Vice President and should be jumping over-excitedly around with his arms held high above his head, Peter sits in the leather upholstered Swan chair with a calm, patient look in his brown eyes during the entire interview. And then it is not difficult to imagine that this is a man who is capable of staying calm, breathe and keep focused – in good as well as bad times.

12½ years in NORDEN

In addition to a shipping education and an Executive Master of Business and Administration, Peter Norborg has also worked as a broker and up until the employment in NORDEN, he was a charterer at J. Lauritzen.

- 1998: Charterer in NORDEN's Dry Cargo Department
- 2001: Managing Director and responsible for opening NORDEN's first foreign office in Annapolis.
- 2004: Deputy in the Dry Cargo Department and General Manager of the Handymax segment.
- 2006: Deputy and Vice President.
- 2008: Senior Vice President and responsible for all NORDEN's dry cargo activities.
- 2011: Executive Vice President, Head of Dry Cargo Department and member of Executive Management.



THE DRY CARGO TEAM HAS BEEN SELECTED

The action plan for Dry Cargo is in short more cargoes with more customers. Newly appointed Executive Vice President, Peter Norborg, has put together the ideal Dry Cargo Department and is ready to capture market shares.

If your opponent has a poker face, it is a good thing to be prepared for just about anything. And according to Peter Norborg, Executive Vice President, NORDEN's global Dry Cargo Department counting 100 people is.

"We are at a level where we are prepared for everything. Our machine is well-oiled, and we have a strong team in place. My task is to ensure that the plan to be executed is clear and known by everyone so that everyone can perform optimally and clearly see the object ahead of them", he says.

More customers with global range

And the plan cannot be misunderstood: NORDEN is to be the large, solid, global cargo owners' first choice when they look for carriers, and long-term, NORDEN is to increase its market shares among mining and commodity companies, power station companies, building and construction groups, cement plants and industries all over the world. Therefore, the plan is to create absolute growth in tonnes and number of cargoes with these exact customers over a number of years.

"It is not rocket science but good common sense based on NORDEN's business model. First and foremost, our job is to earn money for our shareholders, and we are simply going to do that by focusing on getting more cargoes with more customers and by cultivating existing customer relations and building new", says Peter Norborg and points at four of NORDEN's most essential strengths which form a lever for the action plan and are the main reasons why customers should choose NORDEN as their preferred carrier:

"Our brand is based on 139 years of delivering quality on time and keeping our agreements. Our financial strength means that you

can enter into 15-year agreements with us and take for granted that we will actually also be around when the agreement expires. We are present locally via our 5 overseas offices and our port captains, who facilitate the carriage in the large ports. And finally, we know our craft and have specialist and logistic insight which we make available for our customers," says Peter Norborg.

New team with long-term customer focus

Specifically, the Dry Cargo Department is also planning the establishment of a new team whose task it is to uncover the potential for finalising agreements in the long run.

"We must become even more structured in the process of identifying customers, introducing them to NORDEN and delivering what they request. We must become better at long-range planning and dedicate resources to work with a time frame of a larger number of years. If you are a charterer, your main focus should be to close deals and deliver according to the customer's requirements here and now. We will not change that, but concurrently, we will establish a team of people who will look at ways to ensure that our net is sufficiently fine-meshed and far-reaching to also capture potential agreements 5 years into the future. We cannot sit around and make prophesies about whether the world will turn left or right. The important thing is quite simply that we improve our ability to read the customers' long-term requirements," says Peter Norborg, who in addition has strengthened his management structure in the Dry Cargo Department with a number of appointments.

Among other things, the heads of the 4 chartering segments; Handy-size, Handymax, Panamax and Post-Panamax and the head of the Operations Department have been promoted to Vice Presidents.

CSR ACTIVITIES EMBEDDED IN NEW TEAM

Analytical, theoretical and practical skills come into play when former Performance Manager Ulla E. Nielsen and Analyst Birgitte Jeppesen speed up NORDEN's CSR activities in a new CSR team.

Valuable experience

Ulla E. Nielsen has worked in NORDEN's 50%-owned Norient Product Pool as Performance Manager since 2008. She has, among other tasks, been in charge of the development and implementation of MOEPS. Ulla has a solid foundation of experience to build on from almost all aspects of shipping. She has a Shipmaster's Degree, and in addition to sailing container ships for a number of years, she also worked with cargo planning as well as vessel and voyage optimisation.

Raising ambitions

Ulla has been appointed Director in NORDEN and will be in charge of the new CSR team. She will join forces with Birgitte Jeppesen, who joined NORDEN in 2008 and has been coordinator for the Company's CSR Executive Body since 2009. Birgitte Jeppesen is an analyst and has a Master's Degree in Economics (cand.oecon.). She is responsible for assessing CSR and Corporate Governance recommendations and legislation. Moreover, Birgitte, who will now be CSR Manager, is responsible for NORDEN's CSR report, which was first published in June 2009.

"For a couple of years we have been examining our activities, defining focus areas and targeting our efforts. We are now ready to raise the bar and be more strategic and ambitious in our social and environmental responsibility efforts, says CFO Michael Tønnes Jørgensen, who is Chairman of NORDEN's CSR Executive Body.

As of 1 January 2011, the new CSR section will be part of Corporate Communications.

As part of the CSR commitment, NORDEN has established a new team to focus on CSR and Corporate Governance.



Ulla E. Nielsen will be heading NORDEN's new CSR team, where she - together with Birgitte Jeppesen - will drive a more strategic and ambitious approach to NORDEN's CSR activities.

NORDEN's overall CSR policy

Based on our core values, we endeavour to strengthen our corporate social responsibility efforts on a voluntary basis by integrating social, environmental, climate, health and security considerations into our activities. We establish the reporting systems required to ensure that we reach our goals while focusing on continuous improvements. We intend to communicate openly with our stakeholders on these matters.

Testing technologies to treat sulphur pollution

On 10 January 2011, a new project under Green Ship of the Future (GSF) will be launched. To comply with the International Maritime Organization's (IMO) decision that the level of SOx emissions in 2009 must be reduced by 90 % in 2015, the project "ECA Retrofit Technology" sets out to test three different technologies' ability to reduce the shipping industry's sulphur emissions. The three different technologies are: Scrubber technology, liquid natural gas (LNG) as fuel and low sulphur fuel/distillate, and they will be compared on the grounds of investment, installation, production cost and maintenance among other things.

As one of the 11 main parties, NORDEN participates in the project by providing vessel data from the newly built product tanker NORD BUTTERFLY and furthermore contributes to evaluating results and putting things into perspective.

The Handysize tanker NORD BUTTERFLY, which was built in 2008, will lend its hull to the project ECA Retrofit Technology when it begins.





THE HUNT FOR GOOD FUEL ECONOMY CONTINUES

New vessel designs are expected to reduce fuel consumption by 10-15% compared to conventional designs.

NORDEN increases its focus on reduction of fuel consumption and is now looking to new environmentally friendly designs when chartering ships.

According to a survey from 2007 carried out by IMO (International Maritime Organisation), international shipping accounts for approximately 2.7% of the total CO₂ emissions worldwide. At first, this may not sound as a lot, but in absolute figures, 870 million tons of CO₂ are being emitted into the Seven Seas every year. Studies show that if nothing is done, the amount of emitted CO₂ will be 2 to 3 times higher in 2050.

Good profit in new tonnage

Consequently, changes are necessary, and naturally, NORDEN takes an active part in this task, because a modern and energy-efficient fleet will also enhance the Company's competitiveness. As one of the latest examples, fuel economy has become a significant selection criterion when NORDEN takes in new tonnage.

"One of our main priorities is to find effective ships based on an economic calculation where the ships, besides being environmentally friendly, also must be good and profitable investments. And this, they have proved to be. The lower fuel consumption means that the additional costs of the new designs will often be paid off in 3-6 years, and it must be kept in mind that the life of a vessel is approximately 20 years", says Henrik Lykkegaard Madsen, Manager of NORDEN's Projects Section in the Dry Cargo Department.

Driven by the hunt for savings

Generally, the development of new ship designs has seen a boost. Most shipyards and vessel designers over the world work towards developing new vessel designs capable of reducing fuel consump-

tion and CO₂ emissions to meet a constantly increasing demand for more competitive and environmentally friendly ships. In brief, the new designs consist of changes to the hull shape as well as to the proportion between the engine type and the size of the ship propeller. As these adjustments are so simple, you may be tempted to ask why this has not been done before.

"A couple of years ago, going 10 km to the litre was considered reasonable fuel economy for a car; today, it should rather go 20 km to the litre, simply because the automobile industry has become more intelligent and skilled when it comes to developing cars with the environment in mind. The same applies for shipyards and vessel designers. Another reason is that in the wake of the crisis, the demand from shipping companies and cargo owners for savings and smarter ways to do business has increased", says Henrik Lykkegaard Madsen.

Chartering an 'eco-ship'

One of the most recent examples of the Company's effort to reduce fuel consumption is that NORDEN has just entered into an agreement to charter a new Japanese-built Panamax vessel, a so-called 'eco-ship'. The new design of the vessel is expected to reduce the fuel consumption by 10-15% compared to the conventional designs, or 3-4 tons of fuel, corresponding to USD 1,000-1,500 per day on average in one year.

The new Panamax vessel will be part of NORDEN's core fleet, which today counts 13 owned and long-term chartered Panamax vessels.

NORDEN NOTES



Christmas cookies for the seafarers

A pleasant smell of Danish christmas cookies has spread many miles out into the world. The crew on NORDEN's own vessels received an extra package in the annual christmas shipment from the head office in Hellerup. Each of the 27 ships received a large bag of homemade Danish pepper cookies. Martin Rørsig, Head of NORDEN's cantina, is the man behind the idea. From 200 kg of flour and 125 kg of butter, Martin and his staff have also made several other types of cookies and biscuits for the employees in Hellerup. In general, Martin is spoiling the employees who eat in the cantina, a character trait that has recently won him the award as NORDEN Colleague of the Year 2010.



Employees unleashed their inner Picasso

Do you like to wave a paint brush like Picasso in your spare time? Or pretend to be Warhol after work? These were the words when NORDEN's head office in Hellerup invited employees to unleash their inner artist and exhibit their works of art to colleagues and guests in the old brewhouse.

One of the exhibitors was **Willy Danielsen**, Facility Management, who originally is a needlework teacher by education. Willy exhibited his paintings of beautiful well covers found in and around Copenhagen, and moreover, little pieces of art such as these coffee cups made in textile printing and hand embroidery. ▼



Anne Marie Nedergaard Nielsen, Controller in the Dry Cargo Department, is an autodidact and she exhibited her paintings in which she tries to express the things we cannot see by use of oil paint, acrylic paint and spray. She finds her inspiration in nature, music and other forms of art. ►

New Finance aspirants

To build up its own pool of well-trained shipping finance employees, NORDEN now establishes an independent training programme for Finance Trainees. It is a 2-year programme, and the trainees will attend the same theoretical part as NORDEN's Shipping Trainees – i.e. a graduate diploma in Business Administration as well as NORDEN's own internal trainee programme, except Maritime Law. The programme also includes a practical part with one year in Bulk Control and one year in Finance, respectively. Afterwards, there will be an opportunity to spend approximately 6 months at NORDEN's Singapore office.



NORDEN NOTES



Jingle bells at Bryghuset

Eyes were as big as teacups, and the air was thick with excitement when NORDEN in accordance with tradition opened the doors to the annual Christmas party for employees and their families. After a sumptuous meal of "æbleskiver" (traditional Danish Christmas pastry), "gløgg" (warm red wine punch) and sweets, Santa Claus showed up with his sack full of presents for the expectant little ones.



What's new on the web

One thick, one thin, one very thin, one thick

At first, it calls to mind the queue at the supermarket cash register – but actually, the barcode is part of NORDEN's Shipping Trainee Campaign 2011. If you have a smartphone, you can read the barcode and be taken to a mini site for shipping trainees.

This little gimmick is just a part of the total campaign package which also includes things as old-fashioned as newspaper ads, banner ads, and articles in relevant career magazines. Common to all of these is that they will direct you to NORDEN's Shipping Trainee Universe at the website: www.shippingtrainee.dk

NORDEN expects to take in 4-5 Shipping Trainees in Hellerup, 1 in Annapolis, 1 in Singapore and 1 in Shanghai. All trainees will begin in August 2011.



Scan the code with your smart phone and see the trailer for our Shipping Trainee film. Use the barcode reader on your phone or download the application: Scanlife (free)

What's new on the web

Play with the share prices

Visitors to the Share Price Section at NORDEN's website now have the possibility to perform technical analyses of NORDEN's share price e.g. by looking at the SMA (Simple Moving Average) which shows the development in the moving average of the share price compared to the actual price.

Like previously, you can compare NORDEN to peer groups and indices within Dry Cargo and Tankers, respectively, but moreover, the new price graph now links directly to announcements, allowing you to find an announcement directly from the graph which could have influenced the price development.

The Share Price Section is to be found in the Investor Section of NORDEN's website:

www.ds-norden.com/investor/shareinformation/sharepricemonitor/





Jens Malund Jensen



Eva Hald



Lars Tørnqvist



Charlotte Parker



Claus Hartmann

EMPLOYEE NEWS EMPLOYEE

Group functions

27 September 2010, *Phillip Rugh Høy Hansen*, 19, employed as Piccolo.
 1 October 2010, *Gitte Bek Fricke*, 49, temporarily employed as Training Consultant.
 1 November 2010, *Britt Maria Christiansen*, 27, temporarily employed as Executive Financial Secretary.
 1 November 2010, *Anne Thommesen*, 40, employed as Senior Communications Manager.
 1 January 2011, *Hans Bøving*, Head of Corporate Communications & CSR, appointed Vice President.
 1 January 2011, *Sture Freudenreich*, IT Manager, appointed Director.
 1 January 2011, *Birgitte Jeppesen*, Analyst, will transfer to Corporate Communications & CSR as CSR Manager.

Finance Department

1 November 2010, *Anitta Mathiesen*, 44, employed as Financial Assistant.
 6 December 2010, *Louise Neertoft*, 28, temporarily employed as Financial Assistant.

Dry Cargo Department

1 October 2010, *Inga Ellekjær*, General Manager, transferred to Annapolis as General Manager, Operations.
 1 November 2010, *Ole Thomsen*, 53, employed as Senior Operations Manager.
 1 November 2010, *Keld Holmblad*, 52, employed as Controller.
 1 November 2010, *Lotte Nebelong*, 49, temporarily employed as Controller.
 1 January 2011, *Henning Olesen*, 57, employed as Senior Chartering Manager, Panamax.
 1 January 2011, *Michael Boetius*, General Manager, appointed Vice President.
 1 January 2011, *Mikkel Fruergaard*, General Manager, appointed Vice President.
 1 January 2011, *Thomas Jarde*, General Manager, appointed Vice President.
 1 January 2011, *Dorte Nielsen*, General Manager, appointed Vice President.

1 January 2011, *Christian Ingerslev*, General Manager, appointed Vice President.
 1 January 2011, *Henrik Lykkegaard Madsen*, General Manager, appointed Director
 1 January 2011, *Jesper T. Nielsen*, Assistant Operations Manager appointed Operations Manager.
 1 January 2011, *Lise K. Larsen*, Operations Manager appointed Senior Operations Manager.
 1 January 2011, *Thomas Kobbel*, Chartering Manager appointed Senior Chartering Manager
 1 January 2011, *Jesper Aaholm Pedersen*, Project Manager appointed Senior Project Manager

Legal Department

1 January 2011, *Kasper Devantier*, Claims Manager appointed Senior Claims Manager

Technical Department

1 January 2011, *Søren Westergaard*, General Manager, appointed Director
 1 January 2011, *Erik Carlsen*, Senior Superintendent, appointed Fleet Manager
 1. januar 2011, *Peter Klitgaard Brandt*, Senior Superintendent appointed Fleet Manager
 1. januar 2011, *Jesper Kongstad*, Superintendent appointed Fleet Manager

Annapolis

6 December 2010, *Peter Koch Hansen*, Assistant Chartering Manager, transferred to Hellerup and appointed Chartering Manager, Handymax Chartering
 1 January 2011, *Mikkel Borresen*, General Manager, appointed Director
 1 January 2011, *Claus Hartmann*, Port Captain appointed Senior Port Captain.

Shanghai

1 January 2011, *Michael Bonderup*, General Manager, appointed Director.

Singapore

19 November 2010, *Crisline Goy*, 35, employed as Accounts Assistant.
 1 December 2010, *Karen Tung*, 41, employed as Executive Secretary
 1 January 2011, *Mukhlisin Aziz*, Senior Chartering Manager, appointed General Manager
 1 January 2011, *Morten K. Larsen*, Port Captain appointed Senior Port Captain
 1 January 2011, *Christian Munk Jensen*, Assistant Chartering Manager appointed Chartering Manager

Site Offices

1 November 2010, *Dave Smith*, 66, employed as Site Manager.

Norient Product Pool

14 October 2010, *Jesper Nielsen*, transferred from Operations to Chartering as Assistant Chartering Manager.
 15 November 2010, *Bettina Steen Sørensen*, 37, employed as Financial Controller.
 1 December 2010, *Jeppe Mulvad Larsen*, 29, employed as Assistant Performance Manager.
 1 January 2011, *Jens Malund Jensen*, General Manager, appointed Director.
 1 January 2011, *Ulla E. Nielsen*, Performance Manager, transferred to NORDEN Corporate Communications & CSR and appointed Director, CSR.
 1 January 2011, *Nikolaj Lockenwitz Petersen*, Assistant Performance Manager, appointed Performance Manager

Annapolis

1 January 2011, *Thomas Hechmann*, General Manager, appointed Director.
 1 January 2011, *Søren Tolbøll Nielsen*, Assistant Chartering Manager, appointed Chartering Manager

Cyprus

27 September 2010, *Abdul Salam Osman*, 25, employed as Freight/Demurrage Assistant.



Lise Larsen

NEWS

1 January 2011, *Nina Morgan*, Freight/Demurrage Negotiator, appointed Freight & Demurrage Manager.

Singapore

1 January 2011, *Ha Wai Li*, Chartering Manager, appointed Senior Chartering Manager.

Celebrations

Group functions

4 November 2010: *Karina Kjerulff Kotchiev*, Executive Secretary, celebrated her 30th birthday.

14 January 2011: *Gitte Bek Fricke*, Training Consultant, will celebrate her 50th birthday.

Dry Cargo Department

11 November 2010: *Michael Boetius*, General Manager, celebrated his 40th birthday.

15 December 2010: *Lotte Nebelong*, Controller, celebrated her 50th birthday.

Technical Department

1 January 2011: *Lars Tørnqvist*, QA Manager, will celebrate his 10th anniversary.

Annapolis

5 November 2010: *Claus Hartmann*, Port Captain, celebrated his 50th birthday.

Norient Product Pool

16 November 2010, *Eva Hald*, 28, graduated as Finance Trainee and employed as Accounting Assistant.

25 December 2010, *Charlotte Parker*, Financial Controller, will celebrate her 40th birthday.

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 "Empathy" means in everyday life in the cooperation between colleagues, customers and other partners.

Chin Wei Lew, Accounts Manager, Singapore

To me, "Empathy" is the ability to put yourself in another person's place, to see things from another person's perspective and to respect another person's feelings. However, empathy should never be put over professionalism and ethics. Empathy is in fact a motto we live by in the Accounts Department in Singapore. We are in contact and work closely with colleagues in Singapore, Copenhagen, Shanghai, India and Annapolis, and we make an effort to keep the different time zones and cultures in mind. At times, we might get frustrated, but when we see things from the other part's point of view, we become more tolerant and we try to find solutions which make both parts happy.

NORDEN has definitely come a long way in its effort to incorporate empathy as a fundamental value. When I joined NORDEN, most e-mail information was sent out in Danish – now everything is sent out in both Danish and English. As NORDEN grows, the value Empathy will also grow and get stronger still.



Frank Christian Pedersen, QA Manager, Technical Department, Hellerup



"Empathy" is about understanding other people's feelings and needs and being able to respect them without compromising your own values and the task you are performing. Recently, I had an appointment which meant that I had to leave the office early. Just when I was about to leave, a task was sent to me by email. My colleague immediately said: "You can just go, we will take care of it."

In the section I am in, everybody with whom we are in contact is treated equally – everybody is on the same level and deserves the same respect and empathy.

Gitte Beck Fricke, Training Consultant, Temporary, Hellerup

In brief, "Empathy" to me means meeting other people with respect and honesty, asking questions and listening, being open-minded and accepting that people are different. An excellent example of empathy here in NORDEN is the fact that I experienced such a warm welcome in the Company from day one. I feel that my colleagues do everything possible to help in every way and that the effort I make is appreciated.

I have had the pleasure to participate in almost all of the communication training sessions that we have completed recently for all employees here in NORDEN, and during these, I got an impression of how strong our values are throughout the organisation. During the short while I was in the reception, I also had the opportunity to see how we receive our customers and business relations, and how happy and satisfied they look after their visit to NORDEN.



NORDEN'S FLEET OF OWNED VESSELS IS GROWING

The number of owned vessels increased to 28 in 2010 and will also grow in 2011.

Following a year with very large investments in the fleet, NORDEN ends 2010 as owner of 28 vessels, equally divided between Dry Cargo and Tankers. This is 10 more than at the beginning of the year.

The growth is influenced by 3 factors:

NORDEN has purchased a handful of modern product tankers in the expectation that the purchases will turn out to be a good deal when freight rates and ship prices recover.

In addition, the Company has taken delivery of several newbuildings, not least the new Post-Panamax vessel type.

Finally, NORDEN has – in consultation with the sellers - decided to exercise purchase options for 4 bulk carriers. The vessels were acquired at sensible prices seen in relation to the market values for similar vessels. Lately NORDEN took over NORD ENERGY (see below) and the Handymax vessel NORD EXPRESS in December while a

third vessel bought with a purchase option – NORD BRAVE – has been resold for delivery in January 2011.

Continued growth

The fleet of owned vessels will continue to grow in 2011 when a number of newbuildings will be delivered to both Dry Cargo and Tankers. NORDEN has also just bought yet another Handysize product tanker, PAYAL, which we will take over during the first quarter.

"The business model is unchanged. We own 12-13% of the vessels we operate and even if this share is rising slightly next year, NORDEN is still primarily an operator which invests a limited amount of capital in vessels compared to our total active fleet. However, there are some very interesting investment opportunities these years in Dry Cargo and especially in Tankers, and we will seize these opportunities, because they are good investments. In a cyclical industry like shipping, we buy ships when prices are down," says CEO Carsten Mortensen.



The first vessel from a Vietnamese shipyard

NORD SEOUL is NORDEN's first owned vessel from a Vietnamese shipyard – or to be more precise the Hyundai-Vinashin Shipyard, a joint venture between the large Korean shipyard group Hyundai Mipo and Vietnamese interests.

NORD SEOUL is a 36,781 dwt Handysize vessel, which was included in the fleet of owned vessels in late October. On her virgin trip she was headed from Indonesia to China loaded with coal. She is presently carrying fertilizer from Mexico to Australia.

The experience of building at the Vietnamese shipyard is so good that NORDEN has just contracted 2 more sister ships to NORD SEOUL. NORDEN has a total of 5 Handysize newbuildings on order at the Vietnamese shipyard with expected delivery in 2011-12.



The largest of the sisters

As a long-term chartered vessel, **NORD ENERGY** has sailed in NORDEN colours since the vessel left the Japanese shipyard in November 2004. However, it was not until 9 December 2010 that NORDEN took over the vessel – in agreement with the owner Nikko Kaiun, a close partner for many years - after having exercised our purchase option for the vessel at a reasonable price compared to market prices of similar tonnage.

With a deadweight of 180,310 tonnes and a length of almost 290 metres, NORD ENERGY is the largest vessel in NORDEN's fleet. And dimensions are big on this Capesize vessel, where the propeller diameter is 8.5 metres and weighs about 40 tonnes, while each anchor chain weighs approx. 80 tonnes.

At the date of acquisition, NORD ENERGY was lying in a Chinese port from where she sailed to Australia to pick up a new cargo of iron ore for China.