

THE GOAL IS CONTINUED GROWTH

NORDEN has sold vessels and cancelled orders to strengthen its competitiveness. But the order programme still provides good opportunities for growth

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FROM THE WORLD'S DRIEST DESERT

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IN TOP 3 AMONG 100,000

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MOVING DAY IN MUMBAI

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Coming up

1 October 2009

Participation in Handelsbanken's Transport Seminar.
Copenhagen, Denmark

21-22 October 2009

Officers' seminar.
Holte, Denmark

22-23 October 2009

NORDEN Invitational 2009,
Golf tournament and reception.
Imabari, Japan

24 October 2009

Naming of first 47,400 dwt MR product tanker in a series of 6.
Imabari, Japan

27 October 2009

Visit by group of international journalists.
Hellerup, Denmark

29 October 2009

Silent period until publication of the interim report.

30 October 2009

Naming of NORDEN's first 114,500 dwt Post-Panamax bulk carrier (delivery in 2010).
SSY Shipyard, China

19 November 2009

Interim report for the third quarter 2009. Information meeting and telephone conference, etc.
Hellerup, Denmark

20-21 November 2009

Presentation of the interim report.
Roadshow

Cover photo

NORD SHANGHAI in Napier, New Zealand.

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WE STILL WANT GROWTH

How can we say that NORDEN believes in the dry cargo market when we keep selling vessels – and when we have recently cancelled a contract for long-term charter of 4 Post-Panamax vessels?

Is there a schism? The brief answer to this is: No! But let me explain what we do – and why we do it.

The contract for the 4 Post-Panamax vessels was made at a time when the world economy was in full swing, but today, we would not be able to generate earnings that would match the agreed average charter hire of USD 35,750 per day. So when we got the opportunity to cancel the contracts, we obviously did that. Thus, we will be even more competitive in the Post-Panamax vessel type which we are very focused on.

With these vessels no longer in the book, we are reducing the average operating costs for the whole of NORDEN's dry cargo fleet by USD 1,000 per day over a three-year period. And measured in forward rates, we are avoiding a loss of USD 60-70 million. So it was common sense to cancel the contract – without harming our entry into Post-Panamax. Because with 16 vessels, our and INC's new pool will still be a large supplier of this interesting vessel type.

And then the sales: in August and September, we have sold 4 Handymax vessels, of which 2 are newbuildings, and that totals 17 sales contracts since the crisis started last autumn. And what have those sales done for us?

Liquidity: We have sold vessels for a value of USD 490 million, and after expenditure on purchase options and other costs we can deposit approx USD 370 million at the bank. This is part of the reason why we have essentially maintained our financial strength even though we have made large investments and paid out dividends this year. At the turn of the half-year, we had approximately USD 800 million in free liquidity and basically no debt.

Profits: The vessels have been sold at favourable prices, and – something which has not been that easy – through the right window of opportunity in the market. Solely this year, the sales contribute with USD 67 million to the operating profit (EBIT).

Better balance: We have reduced the exposure to a market in which the asset prices are more uncertain and far from as high as they have been. We have limited the risks by changing steel into cash. In addition, we still have a substantial order book with plenty of upside when the world market recovers.

Right-sizing: We have adjusted our capacity to match demand. We have done so in all places, also in the owned fleet, which has then increased our coverage in the remaining fleet.

Both the cancellations and sales are about one thing: Competitiveness. We do what is necessary in the difficult markets, and we are therefore even better positioned when the markets in earnest turn downwards.

There is therefore no schism, and the course is unchanged: we want long-term growth. But currently we are preparing for markets that may prove challenging for a while. And by adapting costs and investments, we are building the basis on which to grow later on.

CARSTEN MORTENSEN, CEO

STRENGTHENED EFFORTS WITHIN VETTING

NORDEN makes further efforts – both at sea and on shore – to document high safety and performance on board tankers

Constant documentation of high safety and performance on tankers have always been important competitive parameters for NORDEN when the oil companies are choosing the vessels they want to use. But lately these parameters have become even more important.

“The major oil companies tighten the requirements and prefer to work with shipping companies which meet the highest safety and quality requirements in the business – and can document that they do live up to these requirements in all areas,” says Lars Lundegaard, Senior Vice President and head of the Technical Department.

Success is crucial

It is not only the number and type of remarks at the oil companies' vetting inspections which count. Each remark is now subject to a far more detailed analysis, and it can have much more far-reaching consequences than usual.

“A critical vetting report may entail that not only the vessel and its sister vessels are blacklisted by the oil company in question, but also the company's other tankers risk being blacklisted. Successful

vetting inspections have therefore become an even more important competitive parameter, and it is crucial to perform your utmost in all aspects – every time,” says General Manager Jørn Andresen, head of QA and Vetting in the Technical Department.

Navigation and documentation

Historically, NORDEN has performed well at the different oil companies' vetting inspections, but now we strengthen our efforts further within this area.

“To start with, we focus extra on good navigation and documentation hereof. Central to these efforts are external audits of our navigation, and we have also established an internal team of experienced captains to go over our procedures within the area and to counsel the vessels hereof. At the same time, we have developed a tool for the captains in order for them locally to make a detailed survey of the officers' competences and need for further education within navigation. Finally as a general measure, we have introduced a system under which the tankers that carry out good vetting inspections are rewarded with a cash contribution to the crew's social activities on board,” says Jørn Andresen.

Based on experience within navigation, NORDEN aims at heightening the level within a number of areas of the vessels' operations and safety procedures similarly, and initiatives will be introduced to prepare the vessels better to carry out the inspections. As part of these efforts, NORDEN has strengthened the QA section further by adding a QA Manager; a previous port captain who has been transferred internally.

Facts about Vetting Inspections

Vetting Inspections are carried out on tankers by the customers (the large oil companies) on the basis of an invitation from the Company. The inspection is based on an extensive Vessel Inspection Questionnaire (VIQ) which has been drawn up by the Oil Companies International Marine Forum (OCIMF). The inspection covers a large number of points within all areas of the vessel's equipment and operation: the bridge, the deck, the engine, tanks, navigation, cargo operations, safety procedures, maintenance etc.

On the basis of the inspection, the oil company makes a report including remarks, if any, which is sent to the Company, and then the Company has 14 days to comment on the report and describe possible initiatives for remediation of defects or forward-looking preventive initiatives. If the oil company has no further comments, the report including comments is published in a special database on OCIMF's website. The report including comments is available to all members of OCIMF for one year. So far, 30 inspections have been carried out on NORDEN's 9 owned tankers this year.

A vetting inspection covers all areas of the tankers' equipment and operation and typically takes 8-12 hours



MULTI-ANNUAL CONTRACT DESPITE CRISIS

A 5-year contract for transportation of salt from Chile – one of NORDEN's most important markets in South America where transportation of grain and especially coal is also showing positive tendencies

NORDEN's office in Annapolis has entered into the second largest COA so far this year. It concerns multi-annual transports of salt from the loading port Caleta Patillos in northern Chile to the American east coast where the salt will be used as road salt. The transports will especially go to Boston, the area of New York, Philadelphia and Baltimore.

The contract is effective from 2010 to 2014 and is actually an extension of an existing contract with a partner, whom NORDEN has cooperated with during the last 7-8 years.

"It is a significant contract, which employs a large number of ship days in Handymax, depending on how we combine the transports, and it is a contract with a really good partner. So, all in all, it is an affirmation that NORDEN has opportunities in a market where only a few long-term contracts are made at the moment," says General Manager Mikkel Borresen from NORDEN in Annapolis.

Normally, it is the office in Brazil which handles the contacts with Chile, but when the first contract with this partner was made, NORDEN did not have its own office in Brazil.

The world's driest desert

In connection with the conclusion of the contract, Mikkel Borresen visited the mine where the salt is extracted and processed before it is transported to the loading port nearby. He could from personal experience conclude that the mine was placed in what might be the world's driest desert - a barren place which is almost devoid of life except from a couple of scorpions here and there.

The mine stretches over a 45 kilometre long and up to 5 kilometre wide area where the salt is located at a depth of approximately 100

metres. The deposits are so vast that they can cover the global need for several thousand years.

The desert may be barren, but the salt is easily accessible as it is only necessary to scrap away a thin layer of dust before the salt is minable and can be extracted for further processing. Salt to be used for road salt does, however, not require much processing as it is only crushed and shipped. Deeper into the mine, salt of a finer quality can be found. This salt can be used for purposes such as cooking and in the chemical industry. But this salt requires more processing and cleansing than the road salt.

High growth in coal imports

After Brazil, Chile is NORDEN's most important market in South America. According to Assistant Chartering Manager Christian Fossing Hansen from the office in Rio de Janeiro, salt is currently NORDEN'S primary cargo out of Chile, but NORDEN's vessels also carry some iron ore and copper to the Far East and Europe.

In Chile, NORDEN's most important cargoes are grain and coal. In 2009, the transports of grain have been greater than they usually are, but coal still takes up the main part of NORDEN's cargoes, and the transports of coal to the Chilean power plants are setting a new record this year. This is due to the fact that NORDEN has established some good relations to selected customers, and by doing so, NORDEN has got a good grip on the market. NORDEN's partners are expanding the capacity of their plants, and furthermore, Chile is building five new coal power plants. As a result, the import of coal during the next five years is expected to double to approximately 11-12 million metric tonnes. This emphasises that Chile will continue to be an important market for NORDEN.

Blocks of salt in the salt mine ready for further processing



Transport of salt from the mine for further processing and shipping



NORD SHANGHAI fully loaded on its way to Incheon in South Korea

MAIDEN VOYAGE WITH SPECIAL EQUIPMENT

The majority of NORDEN's new Handysize vessels have special equipment so that they, among other things, can transport logs both in the cargo hold and on the deck. This gives better access to an interesting and growing market in the Pacific region

When NORD SHANGHAI – NORDEN's first owned Handysize vessel in recent times – started its maiden voyage in September after delivery from the yard, she loaded logs in the ports of Wellington and Napier in New Zealand and sailed north to discharge in South Korea and Shanghai.

NORD SHANGHAI is – just like her 9 sister ships from the JNS yard will also be – equipped with stanchions and lashings so that she can both load logs in the cargo holds and on the deck. This increases the cargo volume, but it also requires special skills among the crew.

"Logs is an interesting market segment in Handysize. It requires a great amount of knowledge both on shore and on board. Ideally, the tonnage must also be modern and of high quality. These are factors which suit NORDEN well," says Senior Chartering etc.

Growth in timber

New Zealand is indeed a significant exporter of timber. A total of 1,800,000 hectares of land - or 7% of the country's total area – is planted with sustainable plantations. And beside being one of New Zealand's largest industries, the timber industry is also a factor internationally. In the Pacific region, New Zealand comprises almost 9% of the trade in timber.

In 2008, New Zealand exported logs of a total value of NZD 3.5 billion. Seen from NORDEN's point of view the most interesting markets are Korea, China and Japan. Their import over the next few years is expected to grow by approximately 30% – from 8 million m³ to 10-11 million m³ logs annually. In China and gradually also in India, growth is expected to be especially high, according to Senior Chartering Manager Søren Holm Rysgaard.

26 vessels in order

Handysize is the vessel type in dry cargo within which NORDEN is expanding its capacity the most. In addition to NORD SHANGHAI,

NORDEN has recently taken delivery of the sister vessel NORD MUMBAI and the long-term chartered newbuilding NORD TOKYO. The Company also has 14 owned newbuildings on order, and up until 2012 12 vessels on long-term charter for more than 3 years will be added to the fleet. The clear majority of these new vessels are also equipped with stanchions and lashings.

NORDEN focuses so heavily on Handysize since these vessels are particularly well suited for many types of cargo and can call at small ports. In addition, Handysize is the vessel type within which there is most old tonnage, most scrapping and the smallest number of newbuildings on order. According to Clarkson Research, the world fleet counted approximately 2,800 vessels at the end of August, and this number has been steady for a while. The official order book only corresponds to 36% of the world fleet, while the average for all bulk carriers is 65%. In addition, the scrapping potential in Handysize is greater than in other vessel types since more than 60% of the world fleet is more than 20 years old.



NORD TRUST at the naming ceremony – NORDEN will be chartering the vessel from the time of delivery from the yard



Like its seven fairy tale-like sisters built in China, NORD SWAN is under Danish colours



Owned newbuildings for delivery in the second half-year

Name	Type/Specification	Yard	Status
Dry Cargo			
NORD SHANGHAI	Handysize, 32,657 tdw.	JNS, China	Delivered to NORDEN 19 August
NORD PROGRESS	Handymax, 56,119 tdw.	Mitsui, Japan	Delivered to NORDEN 16 September, sold with delivery at the turn of the year 2009/2010
NORD MUMBAI	Handysize, 32,657 tdw.	JNS, China	Delivered to NORDEN 30 September
PORT ELISABETH	Handymax, 55,600 tdw.	Mitsui, Japan	Sold at delivery in November, subsequently chartered for 3 years
TBN	Handymax, 56,000 tdw.	Mitsui, Japan	Sold at delivery from yard in November
Tanker			
NORD SWAN	Handysize, 38,326 tdw.	GSI, China	Delivered to NORDEN 15 July

Long-term chartered newbuildings for delivery in the second half-year

Dry Cargo			
NORD TOKYO*	Handysize, 28,343 tdw.	Imbari, Japan	Delivered to NORDEN 10 August
TBN*	Panamax, 76,700 tdw.	Oshima, Japan	Expected delivery to NORDEN mid-October
NORD TRUST*	Handymax, 55,500 tdw.	Mitsui, Japan	Expected delivery to NORDEN end-October
TBN*	Panamax, 82,000 tdw.	Tsuneishi, Japan	Expected delivery to NORDEN end-November
TBN	Handymax, 57,000 tdw.	Kouan, China	Expected delivery in December
Tanker			
TBN*	MR, 47,400 tdw.	Imbari, Japan	Expected delivery to NORDEN end-October

TBN = to be named * = vessels, on which NORDEN has purchase options.



NORDEN ADJUSTS THE FLEET

The active core fleet will grow towards the end of the year

Since the summer holidays, NORDEN has sold 4 Handymax vessels at a total of USD 130 million. Those are the latest steps in the continuing adjustment of the dry cargo fleet.

The adjustment has made inroads into the number of purchase options, which this year has decreased from 57 to 50, because NORDEN has declared purchase options ahead of vessel sales. In addition, the order book and the active core fleet in total have been reduced following 17 vessel sales, 2 cancelled newbuilding orders and cancellation of charter contracts for 4 vessels.

The adjustments ensure that NORDEN is well equipped if the markets should remain challenging for yet some time. On the other hand, the large order book on both owned newbuildings and long-term chartered vessels gives NORDEN a large, potential up-side when the world economy and the dry cargo market start picking up again.

Despite the adjustment, the *active* core fleet of owned and long-term chartered vessels will show an upwards trend towards the end of the year. This is due to the fact that in the second half-year, 2 owned Handysize vessels and 6 long-term chartered vessels will be added to the core fleet, and this is only a preview of the many deliveries in the coming years.

Vessels from the owned fleet sold for delivery in the second half year

NORD EMPHATY

Handymax, 55,803 tdw. Delivered to the new owner 28 September
m.v. NORDEN

Handymax, 56,000 tdw. Expected delivery to new owner in Q4

Expenses are halved

The latest adjustment of the fleet was made when NORDEN and a counterparty in September cancelled the contract on NORDEN chartering 4 new Post-Panamax vessels from 2010-2011.

The contract was made in the early summer of 2008 – when the markets peaked – and there would not be coverage of the charter hire which NORDEN would be paying for the vessels neither in the current markets nor in the forward markets. Based on current forward rates, the cancellation is estimated to have a present value of USD 60-70 million for the Company. Without the 4 vessels, the whole of the dry cargo fleet's average costs will be reduced by 1,000 per day over a three-year period, and within the new vessel type, Post-Panamax, the average costs will be more than halved.

NORDEN's and INC's new common Post-Panamax pool will thus be more competitive when it starts operating at the turn of the year. The two partners will each bring 8 vessels into the pool, and NORDEN's first contribution has already been realised to such an extent that she will be named at the end of October and is expected to begin her maiden voyage in January 2010.

More stabile tanker fleet

In Tankers, there has not been as many fleet adjustments as in Dry Cargo. The core fleet of owned and long-term chartered vessels still counts 26 product tankers, and add to this, 5 vessels in commercial management and a small number of vessels which have been chartered for short periods. The latest addition to the core tanker fleet is NORD SWAN which was delivered in July and was the last of 8 Chinese built Handysize vessels which have all been named after H. C. Andersen fairy tales. After this, NORDEN owns 9 product tankers.

The next delivery in Tankers is a still unnamed MR vessel, which NORDEN will be chartering from the time of delivery from the Japanese yard Imabari at the end of October. The MR vessel is the first in a series of 6 vessels from Imabari, and the sister vessels are expected to be delivered next year. NORDEN will be chartering all vessels for seven years and with extension and purchase options.

OUTSOURCING: NO MORE DUSTY FOLDERS

The Dry Cargo Department has decided to outsource the handling of disbursement accounts to an external partner

NORDEN has chosen to outsource much of the administrative tasks and procedures in connection with voyages to DADesk – a company based in Dubai.

The new procedure will lighten the workload for operators and controllers in NORDEN. Expenses on courier services and bank fees are expected to drop, and NORDEN also expects to reduce prepayments to agents and let DADesk pay the agents according to actual costs.

“The purpose of outsourcing the tasks to DADesk is to streamline procedures here at NORDEN and to save both time and money. In Control, we can for instance focus more on improving the quality of the daily work e.g. by better following up on outstanding accounts,” says Controller Manager Michael Witt. He is also thrilled that this new solution means far less shelves of dusty folders of documents.

Head of the Dry Cargo Department, Senior Vice President Peter Norborg, adds: “The solution provides us with a flexibility which means that we can more easily scale the business up and down. We expect that the costs for DADesk are offset by the savings on port calls and improved cash management.”



When NORDEN's operators are to appoint a port agent, they log on to the DADesk system through the existing system handling voyages. The arrival port is entered into the system, and they get access to a comprehensive database filled with vast amounts of statistical information. DADesk guides the user through the different entries and helps the operator with remembering all details. Finally “the order” is sent to DADesk which then handles the further contact to the appointed port agent.

All documents in connection with the port call are scanned by DADesk, which prepares disbursement accounts to the customer. Via a module in existing systems, NORDEN checks that the accounts are consistent with the voyage and approves and makes the final account which is sent by e-mail. As all documents have been scanned and are sent as attachments, expenses for courier services for the up to 2,200 port calls a year are thus saved (2008 figure).

The transfer to DADesk has been prepared by a working group consisting of Michael Witt, Operations Manager Lise Katrine Larsen, Controller Michael Særmark and General Manager Dorte Nielsen.

Controller Manager Michael Witt is looking forward to seeing benefit from the outsourcing



MEETINGS WITH BOTH SOUND AND PICTURES

During October, NORDEN will install video conference equipment in the country offices so that employees across the whole organisation will be able to have meetings where they can both see and hear each other, exchange documents and slides as well as sharing whiteboards and desktops.

From the start, the set-up includes the offices in Annapolis, Rio de Janeiro, Mumbai, Singapore, Shanghai and the head office in Hellerup – in Hellerup, there will be fixed installations in six meeting rooms and mobile equipment which can be installed when necessary. Later on, Norient Product Pool's office in Cyprus will also be connected when the local data connection has been upgraded. The system is based on Tandberg equipment and will in phase two be

integrated with Microsoft Communicator and IP telephony. It also provides the opportunity to have meetings with external parties.

“We are doing it to improve the quality of meetings and to make them more interactive than e.g. telephone conferences. But of course, we also do it to avoid unnecessary travelling which is both a financial burden and when all comes to all, also has an adverse impact on the environment,” says IT Manager Sture Freudenreich, who is responsible for the project.

One of the perspectives is also that a good deal of education can be shifted to the new platform - both one-to-one sessions and class teaching with participants from different countries.

Jan Faith E. Casildo trains navigation in the ship simulator at HCDC

FULL SPEED AHEAD

Jan Faith E. Casildo is from a family of no maritime traditions, and next to her studies, she reads poetry and works out. In addition, she is the third best maritime student in the Philippines

"Ever since childhood, I have fervently wanted to learn more about other countries' culture, way of life and religion and travel the world, while I was working. I would like the opportunity to visit the places that have captivated me. So even though I'm from a home with a mother working as a school teacher and a father being self-employed, it has always been clear to me that a career at sea would be the right choice," says Jan Faith E. Casildo.

Jan Faith is 18 years old, and NORDEN scholar on the maritime education at Holy Cross of Davao College in the Philippines, having recently started on her third year of study. After completing her second year, she was number one among the students on the maritime education, and she was in the top 3 nationally of all maritime students in the Philippines. An impressive achievement in a country with 91 maritime educational institutions and 90,000-100,000 maritime students.

The road not taken

Jan Faith sees the career at sea as a great opportunity and an exciting challenge on a personal level. Her choice of career has also been inspired by the poem "The Road Not Taken" by Robert Frost. The poem is about a person standing at a crossroads having to choose between two roads: one road has a clear path without many turns and with good visibility – this being the road chosen by most. Whereas the other road has many turns and nearly no visibility – this being the road chosen by few.

"As a woman I have chosen the road less travelled by. The career as a sea officer has so far pretty much been reserved for men, but change is coming within the maritime sector similar to the development within other business sectors, and I think that is a good thing," she says.

Jan Faith finds the education to become a sea officer challenging: "You have to deliver your utmost performance in terms of reading and also physically and mentally, but then you are also rewarded for

your efforts both in the short and long term. You learn how to tackle many different challenges, and you learn a lot about yourself and what you want," she says.

In spite of her challenging studies, Jan Faith also finds time for hard physical work-out, poetry reading, internet surfing and to be Operating Officer in the school's drill corps. Jan Faith values all these activities, and she is a firm believer in the importance of developing your body and soul.

Wants to help others

In the short term, Jan Faith looks forward to finishing her studies and be employed on board a vessel thereby having the chance to put all she learned at school to practice. In the long term, her career goals are clear: "I hope to pursue a career as chief officer and captain at a young age. Later on, I aspire to help young people without the financial means to get a maritime education in spite thereof – perhaps by founding some sort of maritime foundation or school. I'm not yet clear as to how the set up for these ambitions will be, but I continue working on the project" Jan Faith says with a smile.

Talent development in the Philippines

Since 2007, NORDEN has sponsored talented students at the maritime educations at Holy Cross of Davao College (HCDC) in Mindanao in the southern Philippines. The programme includes scholarships, awards and intensive training in English. Currently, NORDEN is sponsoring 20 students on their third year of the officers' education. Four previous recipients of NORDEN's scholarships at HCDC are now employed on board the Company's vessels as cadets, and more are expected to follow. HCDC has more than 8,000 students, of which 570 are maritime students.

SAILING IN SEPTEMBER

The menu consisted of, among other things, crabs, sailing, cosy atmosphere, golf and thoughts about the month of September when NORDEN gathered its American customers



The winners of the Team Competition together with Anders Hansen (in the middle)

Around 125 brokers, agents, traders, cargo owners and other partners participated when NORDEN Tankers and Bulkiers (USA) Inc. hosted its annual customer event in September.

After a welcome drink, the guests boarded CATHRINE MARIE for a few hours of sailing in Chesapeake Bay – the bay off Virginia and Maryland where as many as 150 rivers and creeks have their mouths. Chesapeake is an old Native American word which, according to tradition, means Great Shellfish Bay, and of course, local specialities such as crab cakes and crab soup were served on board.

It was the ninth September in a row that NORDEN gathered its customers from North, South and Latin America for an event in or close to Maryland, where NORDEN Tankers & Bulkiers (USA) Inc. has its office in the capitol Annapolis. While General Manager Mikkel Borresen and his nine colleagues in Dry Cargo have lots of experience with welcoming customers, it was the first time that General

JOB SATISFACTION AMONG MARINERS

Mariners on board Danish ships are actually quite satisfied in their job, though there are some blemishes. This is the conclusion of the largest survey so far about the working environment

80% of the mariners are satisfied or very satisfied with their job at sea, and more than 7 out of 10 turn their thumbs up in terms of working environment on board the ships. These are some of the results from the major survey "The Good Working Life at Sea" conducted by the organisation Seahealth Denmark.

Across nationalities, 1,700 mariners on ships under Danish flag have completed the questionnaire on their physical working environment, including questions pertaining to solidarity, management, lay time and bullying. The survey was financed by DKK 650,000 from Orients Fond on behalf of NORDEN.

Social isolation on the agenda

The mariners give high and positive scores to their health among other things – 91% feel at good health – and in terms of their working situation 9 out of 10 feel that they have perspective of their job, and 82% feel that they know what is expected of them. The employees believe that they have the necessary competences to complete

their daily tasks, though more – especially the officers – complain that the number of tasks continues to grow, for instance in terms of administrative functions.

8 out of 10 feel that there is a good atmosphere and sense of community on board. However, not everyone participate in the social life on board, and 20% feel socially isolated when they are at home. "This is definitely one of the areas which must be put on the agenda even though it's a difficult field," says Connie S. Gehrt, director at Seahealth Denmark.

Another problem is lay time. Nearly every fifth mariner has difficulties observing the lay time regulations, and 6% state that they are too tired to perform the job safely a large portion of the time.

National differences

The survey shows differences between the nationalities on board with the clear tendency that the Philippine and Asian mariners

Manager Thomas Hechmann from Norient (USA) LLC joined with a fully operating business. NORDEN's 50% owned Norient Product Pool opened its office in Annapolis in October last year and has had a really good start. During the first year, the four employees have closed more than 100 deals.

September's presence of history

CEO Carsten Mortensen told a tall story about the many historical events that have taken place in September through the years. From when Columbus left for the then unknown America to one of the most crucial battles in the American War of Independence which took place exactly in Chesapeake Bay, the beginning of World War II, the conclusion of peace in Camp David, the attack on World Trade Center – and as the most recent, 15 September 2008 when the international financial and credit markets seriously froze and kick-started a crisis which in one way or the other has affected everyone attending the event.

Carsten Mortensen described NORDEN's handling of the crisis, confirmed the Company's commitment to its partners in America and also spread some hope: "The crisis is far from over, but trust me: It will end. The world economy will start to grow again, and so will the demand for transportation. But we may have to wait until September 2010 or 2011 before it happens."

Also for the less experienced

With inspiration from similar events in other places, NORDEN invited interested customers to come and play golf with the PGA and Europa Tour player Anders Hansen the day after the boat trip.

This took place at the Renditions Golf course outside Annapolis – a course that celebrates the largest golf tournaments by copying holes so that each hole is a copy of holes from e.g. the four Major's (The Masters, U.S. Open, British Open and PGA Championship). The approximately 40 NORDEN guests played the course in a Team Competition which was also appealing to the less experienced as the players were divided into teams of four persons who all drove. Afterwards, you chose the best drive, and all four players then continued playing until the ball was in the hole.

The best score of 64 (7 below par) was achieved by a team consisting of Financial Controller Jimmy Hammond from NORDEN and Mike Unger, Chris Hughed and Chuck Friday. Anders Hansen played a couple of holes with each team and set the level by making birdies on most of the holes.



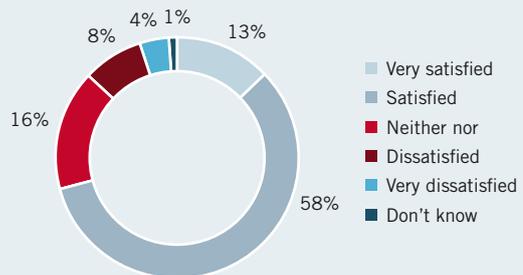
Mikkel Borresen (left) and Thomas Hechmann hosted 125 customers

respond more positively in the survey whereas the mariners from Denmark and other west European countries are more tepid, while the east Europeans are somewhere in between. The survey does not provide a precise explanation for the differences, but they may be connected with different expectations.

For instance, the differences between the nationalities shine through on the topic of influence. The Danes and west Europeans are more than any other nationality sceptical about whether organizations and shipping companies really are accommodating towards the employees at sea. The same can be seen when it comes to other motivational factors such as recognition and reward. On a scale from 1 to 5, the Danes with 3.4 out of 5 are once again below the Philippine and east European level of 4.1. But all in all, the mariners feel that they are fairly treated.

Seahealth Denmark and the industry's organisations are currently analyzing the results to see what can be done in order to further improve the working environment.

How satisfied are you with your working environment? (Basis: 1565)



6 pearls of wisdom

(Source: Videncenter for Arbejdsmiljø).

The survey is based on the so-called six pearls which are factors believed to have significant influence on job satisfaction and physical working environment.

Influence Do you have influence on your own working conditions? Such as your tasks, working hours and who you work with.

Purpose Is your job fulfilling? Do you see a link between your work and the overall production of the workplace? Do you feel that you make a difference?

Predictability Do you know what is going to happen in the nearest future work wise? For instance, do you know where you are going to be working and with whom you will be working together? Do

you feel that you are facing an uncertain future?

Social support Can you count on your colleagues or management to support you if you need help – both practically and mentally? Do you feel that it is okay to ask for support?

Reward Are you happy with your pay and career, and do you feel that the management and your colleagues acknowledge your efforts – both work wise and socially?

Demand Is your job sufficiently demanding, and do you have adequate time to do your tasks? Does your job require much from you emotionally – for instance in connection with customer care?

NORDEN NOTES

International top position

NORDEN's CEO Carsten Mortensen has joined the top management – Executive Committee – at ICS, International Chamber of Shipping. ICS represents owners and operators from e.g. dry cargo, tanker, container and passenger shipping companies, and the members control more than half of the world's merchant fleet.

ICS looks after the industry's interests towards e.g. the UN's International Maritime Organization IMO and other UN agencies in global issues such as climate, piracy, environment, safety, technical matters etc. ICS and the employers' association ISF (International Shipping Federation) have members in around 40 countries.



Carsten Mortensen has been appointed to the ICS Executive Committee by the Danish Shipowners' Association where he was elected vice chairman earlier this year.

Glory in Singapore

A handshake from the Senior Minister of State for Foreign Affairs Dr. Balaji Sadasivan, a plaque and a round of applause. That was the output when Senior Vice President Peter Borup from NORDEN participated in the annual FG 50 conference where Singapore honours the country's fastest growing companies.

This year, 200 companies were considered because they had grown by at least 10% a year for three years and were profitable. From this group, 50 companies were honoured, and NORDEN Shipping (Singapore) Pte. Ltd. – NSS – was elected the 14th fastest growing company. In addition to operating commercial activities, NSS owns a part of the Company's fleet.

In order to simplify the group structure, NORDEN has moreover amalgamated NSS with the company NORDEN Tankers & Bunkers Pte. Ltd. – NTB –, which was also registered in Singapore, in September. NSS is the continuing company, and all employees and obligations from NTB have been transferred to NSS at the time of the amalgamation.

Dr. Valaji Sadasivan (left) and Peter Borup on the podium



4. Financially strongest shipping company

NORDEN is one of the world's strongest shipping companies financially. This appears from the annual analysis of the largest listed shipping companies in the magazine Marine Money which has examined 100 shipping companies this time around.

Marine Money measures financial strength on the basis of three key ratios:

Current Ratio: shows current assets in proportion to current liabilities and gives an idea of a company's ability to meet their obligations with the cash and receivables which are at the company's disposal in the short term.

Interest Coverage: compares the operating profit with interest expenses and thus indicates if the company earns enough money to repay debt and pay interest.

Debt to Capitalization: compares debt and liabilities to the total capital including equity – and thus indicates the gearing ratio (indebtedness) of a company.

NORDEN's total score within the three key ratios resulted in a fourth place in the discipline "Financial Strength".

Overall rank 17

Marine Money also compares the shipping companies' performance in seven other key ratios, and within four of the seven categories NORDEN's results led to a Top 10 placing (see table).

On the contrary, NORDEN's declining share price in the last months of 2008 negatively affected the results within two share related ratios, that is Total Return to Shareholders and Price/Book Value. And finally, the year's profit margin also had a negative impact on the results.

Therefore, NORDEN ended as number 17 in Marine Money's overall review of the results of the 100 shipping companies in 2008. In the magazine's four previous ratings, NORDEN has been in the Top 5 every year.

NORDEN's recent rankings

	2008	2007
Total Return to Shareholders (<i>Share price development + dividend / share price at the beginning of the year</i>)	60	9
Total Assets Turnover (<i>Revenue / total assets</i>)	7	6
Profit margin (<i>EBITDA / revenue</i>)	81	71
Return on Equity (<i>Net profit / equity</i>)	6	6
Return on Assets (<i>EBIT / assets</i>)	4	2
Price/Book value (<i>Share price / book value per share</i>)	39	13
EV/EBITDA (<i>Enterprise value / EBITDA</i>)	10	35
Current Ratio (<i>Current assets / current debt</i>)	9	10
Debt to Capitalization (<i>Total debt / equity + debt</i>)	3	5
Debt Coverage Ratio (<i>EBIT / interest expenses</i>)	2	2
Total ranking	17	2

Marine Money International Global Rankings, 2009

Hard-hitting employees

Many of NORDEN's employees have a great interest in golf – and some are quite talented as well.

NORDEN Cup

In September the annual "NORDEN Cup" for employees was held for the third time at Hørsholm Golf Club. "As in previous years, the day was a success and a great experience for the 21 participants – and we witnessed both believable and unbelievable shots," says Kasper Devantier from the Legal Department, who organised the day. As a novelty this year, the event also hosted a sister activity for beginners, who got an introduction from professional golf coaches and played their own cup at the par-3 course. The golf day was concluded with a dinner in the club house.

Winners of NORDEN Cup

2007: Jesper Aaholm Pedersen, Chartering Manager

2008: Anders Hansen, Senior Chartering Manager

2009: David Culling, IT Analyst

Shipping Golf

Employees from the Company were in the lead of both tournaments of the year at the legendary Shipping Golf Cup arranged by Danish Shipowners' Association's ball games club's golf section.

In the SG Cup NORDEN took both the first and the second place, and the finals of the SG Four Ball were also won by a team from NORDEN.

Marianne Christensen, Head of Risk Management, managed to make a hole in one during training for SG Four Ball. She and her partner, Financial Assistant Birgitte Larsen, finished as number two in their pool and did unfortunately not make it to the finals.

Concentrating at the putting green



Secretary Randi Knudsen (left) from Tankers and Accounting Assistant Sofie Lassen from Norient presenting NORDEN's colours

World's greatest fun run

NORDEN was well represented when the world's greatest fun run – the DHL relay race 5 x 5 kilometres – took place in Fælledparken in Copenhagen. The race had 125,000 participants, and it therefore stretches over 5 evenings.

It is tradition that a number of teams from NORDEN participates in the race, and this year no less than 8 teams of 5 ranging from fast and experienced runners to somewhat slower joggers took part in fun run.

One of NORDEN's teams were indeed so fast that they ranked number 84 out of the 25,000 teams with an average pace of 4:01 minutes for each of the 25 kilometres. Other teams chose a more comfortable pace, but no matter the times all runners were met with smiles, joy and applause when they returned to the home base at NORDEN's tent in the park where a huge fan crowd of colleagues had gathered cheering the runners on and also enjoying the nice barbecue.

Danish history in Baltimore

The employees from NORDEN Tankers & Bulkers in Annapolis came close to a piece of Danish history when they visited the training ship "Danmark" in Baltimore's port.

The ship was built in 1932, and ever since it has been operated as a sailing maritime school. But the training ship has a special connection to the USA. At the time when Germany occupied Denmark during World War II, the ship was calling at an American port, and therefore the ship was put at the disposal of the American coast-guard's officers' school for the symbolic payment of USD 1 a year. From 1942-1945 the ship sailed under the Stars and Stripes, and in those years 5,000 cadets were trained onboard. In appreciation hereof, the Americans put up a bronze plaque on board the ship.

This and other stories were told during the visit which had been arranged by port agent T. Parker Host, who assists NORDEN when the Company's vessels call at Baltimore chiefly discharging coal and salt.

There is room for 15 crew members and 30 students on board the training ship. A 10-week voyage on board the ship is part of the basic training as ships assistant in addition to the training at the Maritime Training and Education Centre MARTEC in Frederikshavn, Denmark.

The employees from Annapolis with the ship, which was heading out on her 95th voyage – to Ireland





Jacob Kragh

Bettina von Linstow

Lars E. Biilmann

Stephan S. Jensen

Laura Rosholm

Henning M. Madsen

EMPLOYEE NEWS

Group functions

14 September 2009: *Jonas Hoffmann*, 19, employed as office assistant in Internal Service.

Technical Department

1 August 2009: *Thomas Hedegaard Andersen*, Superintendent, transferred to NORD BUTTERFLY as second officer.

1 August 2009: *Bettina von Linstow*, 35, employed as Crew Manager.

1 August 2009: *Anne-Grethe Ringhus Hansen* transferred from Crew Manager to Crew Account Manager.

1 September 2009: *Henning Martin Madsen*, 41, employed as Manager Ship Support Systems.

Dry Cargo Department

23 July 2009: *Henrik G. Nielsen*, Operations Manager in Hellerup, transferred to Annapolis as Operations Manager.

27 August 2009: *Owen Mulford*, Assistant Chartering Manager in Annapolis, transferred to Handymax Chartering in Hellerup as Assistant Chartering Manager.

3 September 2009: *Satoko Forsberg*, (former temp) has been employed on a permanent basis as Controller in Control.

1 October 2009: *Christian Munk Jensen*, Assistant Chartering Manager in Hellerup, transferred to Singapore as Assistant Chartering Manager.

12 October 2009: *Kristian Birch Rasmussen*, 34, employed as Operations Manager in Panamax Operation.

Annapolis

14 September 2009: *Christian Hornum*, Assistant Chartering Manager in Annapolis, transferred to Singapore as Assistant Chartering Manager.

Site Offices

SSY

1. juli 2009: *Kim Hai Nguyen*, 57, employed as Hull Supervisor.

5. juli 2009: *Elonyz Lopez*, Machinery Supervisor, from JNS Site Office.

1 August 2009: *Ronnie B. Catapang*, 40, employed as Paint Supervisor.

1 August 2009: *Miao Dan*, Painting Supervisor, from JNS Site Office.

Due to the temporary closing of GSI Site Office, the staff has been allocated in this way:

1 June 2009: *Antony Ujung* transferred to JNS as Electrical Supervisor.

1 August 2009: *Zheng Xiao Zhang* transferred to JNS as Paint Supervisor.

1 September 2009: *Michael Brodersen* transferred to SSY Site Office as Machinery Supervisor.

15 September 2009: *Ralph Perttula* transferred to Mitsui Chiba Site Office as Site Manager.

Norient Product Pool

31 August 2009: *Nikolaj D. Lambertsen*, Assistant Chartering Manager, transferred to Operation as Operations Manager.

1 September 2009: *Hanne Scheibelt Petersen*, 44, employed as Accounting Assistant (maternity cover) in Accounting.

Cyprus

27 July 2009: *Christina Michael*, 26, employed as Controller – Disbursements.

Singapore

31 August 2009: *Søren Tolbøll Nielsen*, Assistant Chartering Manager in Singapore, transferred to Norient (USA) LLC. as Assistant Chartering Manager.

NORDEN's vessels

New appointments:

7 July 2009: *Jonsvein Thorbjørn Jønsen*, 50, employed as Second Engineer.

17 August 2009: *Bjørn Odd Johannessen*, 49, employed as Second Engineer.

NORDEN's Trainees

New Shipping Trainees in Hellerup have started in the following departments:

1 August 2009: *Laura Rosholm*, 19, Panamax Chartering, Dry Cargo Department.

1 August 2009: *Jacob Kragh*, 22, Chartering, Norient Product Pool.

1 August 2009: *Stephan Skovgaard Jensen*, 21, Operation, Norient Product Pool.

Trainees from Shanghai have started in the following departments in Hellerup:
24 August 2009: *Iris Yu*, Control, Dry Cargo Department.

24 August 2009: *Judy Chen*, Panamax Chartering, Dry Cargo Department.

Soon to graduate Trainees from Shanghai

Two of NORDEN's Trainees from Shanghai will graduate in Hellerup and continue their career with NORDEN in the following positions:

1 November 2009: *Jay Chen* transfers to Shanghai as Assistant Chartering Manager.

January 2010: *Elaine Yu* transfers to Singapore as Assistant Operations Manager.

Celebrations

Group functions

20 October 2009: *Marianne Christensen*, Head of Risk Management, celebrates her 40th birthday.

Dry Cargo Department

14 October 2009: *Charlotte Elkjær*, Controller, celebrates her 40th birthday.

NORDEN's vessels

22 September 2009: *Jonsvein Thorbjørn Jønsen*, Second Engineer on board NORD BUTTERFLY, celebrated his 50th birthday.

28 October 2009: *Lars Enkegaard Biilmann*, Captain on board NORD MERMAID, celebrates 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 215 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 1st half of 2009

Profit: The profit for the first half-year of 2009 was USD 133 million. The result includes profits from the sale of vessels of USD 39 million and positive fair value adjustments of certain hedging instruments of USD 65 million. In the first half-year, the Company's operations generated a positive cash flow of USD 109 million.

Outlook: For 2009, EBIT is expected to be USD 122-172 million, including profit from sale of vessels of approximately USD 67 million.

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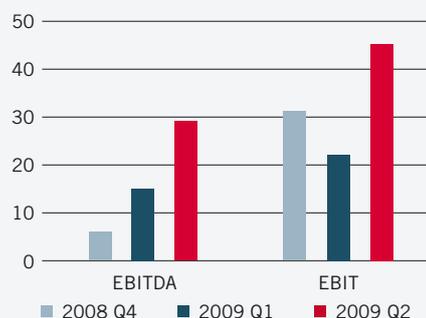
MANAGEMENT

Chairman Mogens Hugo
Board of Management
Carsten Mortensen, CEO
Michael Tønnes Jørgensen, CFO

NORDEN's MASTER DATA

<i>Share capital</i>	DKK 44,600,000
<i>Number of shares</i>	44,600,000
<i>Denomination</i>	DKK 1
<i>Classes of shares</i>	1
<i>Voting restrictions</i>	None
<i>Stock exchange</i>	NASDAQ OMX Copenhagen A/S
<i>Ticker symbol</i>	DNORD
<i>ISIN code</i>	DK0060083210
<i>Index</i>	OMX Copenhagen 20 (OMXC20) Nordic Large Cap
<i>Bloomberg code</i>	DNORD.DC
<i>Reuters code</i>	DNORD.CO

Quarterly results (USDm)



MOVING DAY IN MUMBAI

Adam Nielsen takes up the position as head of NORDEN's office in India. He replaces Jesper W. L. Pedersen, who is moving to Annapolis to be deputy of the Dry Cargo Department's activities in North America

Adam Nielsen is preparing to move from Hellerup to Mumbai, India.

The suitcase is nearly packed, and the thoughts have started to direct to the coming job: in the first quarter of 2010, Adam Nielsen will move to India as General Manager of NORDEN Tankers & Bulk-ers (India) Pvt Ltd, Mumbai.

Adam Nielsen is 28 years old and is presently working as Senior Chartering Manager in the Dry Cargo Department in Hellerup. He has got a shipping education from NORDEN and will also soon complete an HD in Financing at Copenhagen Business School. He has already grabbed with Asia: he has been stationed in Singapore and Shanghai for a total of 3.5 years, and in his present job, he is commercially responsible for the Handymax section in the Far East.

"The job in India is a natural continuation of my previous functions. I have experience and knowledge that I can make good use of. So I feel quite well equipped and I am really looking forward to it – also to meeting a new country with a different culture which is most likely full of contrasts," says Adam Nielsen.

Important market

The office in Mumbai attends to the customer relations that NORDEN has in India and the neighbouring countries as well as in the Middle East. Adam Nielsen knows that his new job will differ somewhat from what he has been used to: the office has 4 employees including a



Jesper Pedersen is going to change the scenery of Mumbai for that of Annapolis, Maryland

port captain, and personal management will therefore take up more space in his everyday life. He is also prepared for more administrative tasks in terms of reporting, but the primary focus will be the relations to brokers and direct customers, in particular.

Measured on port calls – number of vessels either loading or discharging at port – India is among NORDEN's five largest dry cargo markets. And expectations for the country are great. In recent years, GDP has grown 7-9% annually, and even though India has also been impacted by the global economic crisis, the country has potential to become one of the world's greatest economies in the long term. Especially interesting for dry cargo is the fact that the Indian government plans to strengthen the country's infrastructure – also in the ports – and that the country's power plants are planning expansion requiring more imported coal.

NORDEN's business in India includes transportation primarily of coal from Indonesia, Australia and South Africa as well as fertilizer, pet coke and limestone. From India the largest cargoes consist of iron ore and bauxite chiefly to China. In addition, NORDEN has a number of transports of iron ore and coal between Indian ports.

Back to the USA

After 3.5 years, the current General Manager in India, Jesper W. L. Pedersen, bids farewell to India and says renewed hello to Annapolis where he worked for 3 years until 2006. From the first quarter next year, he will be deputy of the Dry Cargo Department in North America as Senior Chartering Manager.

Jesper W. L. Pedersen says that his stay in the USA may be long-termed this time as one of the reasons for his move is actually to strengthen the continuity – to ensure that the same person will handle the customers and brokers through a longer period of time. So Jesper W. L. Pedersen is both going to revive his former contacts in North America and bring in new customers. His experience from India may also prove beneficial as there are several transports from the USA to India, and with contacts on both sides it may form the basis for creating new contracts.