

SHORTER LAY TIME

Norient Product Pool aims to save up to 26% fuel and CO₂ – and share the profit with the customers and the environment

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CHANGE OF GUARD AMONG THE BOARD OF DIRECTORS

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Coming up

23 April 2009

Ordinary annual general meeting, Radisson SAS Falconer Center, Frederiksberg.

29-30 April 2009

Officers' Seminar, Holte.

30 April 2009

Expected payment of dividend.

6 May 2009

Delivery of MR product tanker, 50,500 dwt, Guangzhou Shipyard International Co. Ltd., China.

15 May 2009

Naming and delivery of Handysize bulkcarrier, 31,800 dwt, Jiangmen Nanyang Ship Engineering Co. Ltd., China.

Naming of Handysize bulkcarrier, 31,800 dwt, Jiangmen Nanyang Ship Engineering Co. Ltd., China.

26 May 2009

Publication of the interim report for the first quarter of 2009.

3 June 2009

Participation in "Finansanalytikernes Virksomhedsdag 2009", Copenhagen.

3 June 2009

Participation in Carnegie Shipping Seminar, London.

6 June 2009

Delivery of Handysize bulkcarrier, 31,800 dwt, Jiangmen Nanyang Ship Engineering Co. Ltd., China.

8-10 June 2009

Annual gathering of NORDEN's port captains at "Bryghuset", Hellerup.

10 June 2009

Open house event for shareholders at "Bryghuset" (see coverage on page 11).

19 August 2009

Publication of the interim report for the first half-year of 2009.

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QUICKER BALANCE IN THE MARKET

In the midst of the deepest and most widespread recession in living memory, there actually are some bright spots in the market even though they are easily overshadowed by the challenges that dominate everyday life for all of us. The brightest spots are cancellation of newbuilding orders and scrapping of vessels in dry cargo.

According to Clarkson Research, 167 bulkers of 8.3 million dwt were scrapped from October last year to February this year. The amount corresponds to around 2 percent of the world fleet at the turn of the year, and you have to go several years back to find a similar level. I will chance my luck and predict that the scrapping will continue because the low rates have taken away the incentive to keep old and outmoded vessels sailing. And the scrapping potential is enormous considering that around 30% of the vessels in the world fleet are more than 20 years old.

You hear about cancellation of newbuilding orders almost every day. Several of the new ship yards are simply not able to meet the milestones in the contracts, and the shipping companies obviously use this as an excuse to cancel the orders. Furthermore, a large part of the orders from 2007-2008 are today worth less than the contract price, and therefore, the banks are withdrawing the financing. Other – and we talk about lots of – orders are not financed, and the ship yards and the shipping companies do not stand a chance of getting finance. And finally, there are shipping companies who buy their way out of orders because of the poor markets – or who are simply not able to pay the ship yards.

It happens so quickly that the analysts continuously have to alter their estimates. The most far-reaching estimate was made by HSBC in mid-March. They predict that out of the 234 million dwt on order in dry cargo for delivery in 2009-2011, only 108 million dwt will be delivered. In other words, 55% of newbuilding orders for bulkers will be cancelled or postponed.

Only time will tell how this will end, but I will not be surprised if 40-50% of the order book will never be realised. And both cancellation of new vessels and scrapping of old vessels are good news because it means that we are able to restore the balance between supply and demand in dry cargo more quickly. So in the long run, I am sure that we will appreciate that the crisis came so quickly and so roughly.

We also work on optimising NORDEN's order book. We are not going to cancel 40-50% of our orders as the ship yards that we have contracted with know their meter and meet their deadlines so far. But less can also do the trick. Until now, we have cancelled orders for 2 50%-owned Handysize vessels, and our prepayments have been returned. Furthermore, we are in constructive dialogue with other ship yards where we discuss e.g. later deliveries or conversion to other vessel types.

We will inform about progress in this area in e.g. interim reports to the possible extent. But it is important to me to say that NORDEN lives up to its contracts, and amendments will only take place when we and the ship yards agree. And let me also remind you that NORDEN is able to finance its whole newbuilding programme through the Company's cash deposits.

CARSTEN MORTENSEN, CEO

GAIN SHARING WITH THREE WINNERS

Plan better, sail slower, save fuel, reduce CO₂ – and share the gain with the customers and the environment. This is the idea behind Norient Product Pool’s suggestion for future contracts on transportation of product and crude oil, NOrient Re-imburement System (NORS)

In average, a product tanker waits for 2.2 days in the loading port and 1.2 days in the unloading port, calculations from Norient Product Pool (NPP) show. This lay time results in poor utilisation of tonnage and an inexpedient consumption of bunkers (fuel).

It is these inexpediciencies that NPP wants to get rid off by using the new NOrient Re-imburement System (NORS), which NPP now offers to all customers. The aim is to save as much as up to 26% fuel on the Pool’s vessels by optimum sailing, and the Pool will share that gain with the customers – and eventually also the environment through reduction of CO₂ emissions.

From stop-go to slowsteaming

“In the tramp market, the schedule for the vessels’ departure and arrival is often determined on the basis of the terminals’ wish for security margin, rather than on actual needs,” says General Manager Morten Møller Jensen from NPP’s operations department.

“Therefore, it is almost normal practice that the vessels are sailing faster than necessary. We are sailing full speed ahead to the next traffic light even though we know that it is soon going to turn red so to speak. We would like to go from stop-go sailing to slowsteaming where possible, and that is why we developed NORS,” says Morten Møller Jensen.

NPP – which is 50%-owned by NORDEN – will be operating around 70 vessels in 2009 and is one of the world’s largest operators of Handysize and MR/LR1 product tankers.

26% less fuel and CO₂

As part of NORS, NPP will, together with the customers, work on ensuring more effective stays in the ports and introduce a “theoretical departure time” which controls the assignment of loading and unloading times. This will make it possible for one of NPP’s vessels to arrive later than usually but still keep its place in the line. In this way, the vessel will be able to sail with a more optimum speed and consume considerably less fuel than it does today. It will be possible to reduce the daily fuel consumption and CO₂ emissions by as much as up to 26%, NPP’s calculations show.

Fifty-fifty sharing

“As the system will result in several adjustments of procedures and contracts both at the customer and at NPP, we think that is quite natural that we share the gain from the achieved fuel saving equally,” Morten Møller Jensen explains, who found inspiration for the new system in the liner and container traffic. Here, the vessels arrive at the ports at fixed slots, and port stays are generally very effective.

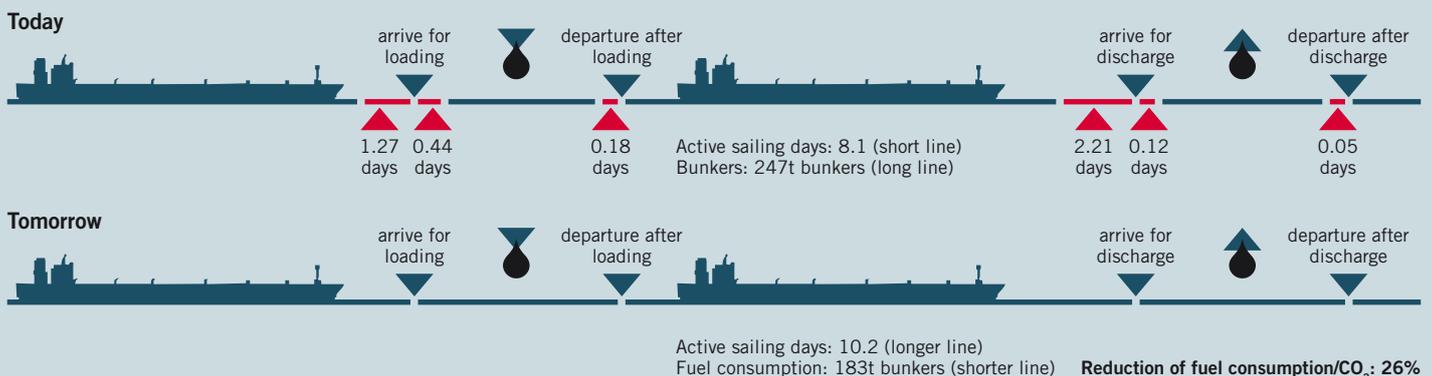
Before NPP introduced the new system, the operations department has carried out a number of interviews to identify wishes and expectations from the large oil customers in England, USA and Switzerland. At the same time, the Pool presented the ideas behind NORS. Many expressed that they saw great potential in NORS, but also that it takes close cooperation on development of transport flow, procedures and processes at shipping companies/operators, customers, agents and terminals.

“If it is possible on just a few trips, it will be a great gain for the customer, Norient Product Pool and the environment, so we are persistently working on refining the system further,” says Morten Møller Jensen.

Inactive time, steaming time and bunker consumption today and tomorrow

Non-productive time during port stays, active sailing days and fuel consumption today and tomorrow

If the port stays are made more efficient, it will be possible to sail at a slower speed. On a voyage Rotterdam-Vysotsk/Klaipeda-Rotterdam it will for instance be possible to attain fuel saving of up to USD 20,000.



Morten Møller Jensen and Ulla Eithz Larsen have worked at developing MOEPS since the summer of 2008

DIGITAL LOG BOOK

Norient Product Pool now gathers all information about the vessel's voyage and port stays on a joint, newly developed IT platform. The platform will improve efficiency and quality as well as constitute the basis for the development of new service such as NORS

Until recently, Norient Product Pool's (NPP) information system built on oceans of various reporting which the vessels sent to the Operations Department. Here, the reports were typed in manually, which caused time lags from when the actual events occurred to when they were available to the operators. The operator could therefore not in practice optimise processes and operations, as the events had already occurred.

Need for overview

"In order to improve your performance in future and to develop new services, you need to have a full overview of how you are performing today – in all parts on the value chain," says General Manager Morten Møller Jensen from NPP's Operations Department.

"You need all information to be available in an easy and comparable format, and we haven't had this so far. Therefore, we have

conducted an extensive fine tuning of all the information streams between the vessel and ashore. All reporting and information have now been gathered in a new joint IT platform, Master's Operations Environmental Performance System (MOEPS), which during spring and summer time 2009 will be introduced onboard the vessels and developed on an ongoing basis," says Morten Møller Jensen.

Knowledge to act on

In the new system, all data about the voyage and port stays are made available in real time through ongoing entries by the vessels and operators in a joint operational log book. Among other things, this will ensure full access to the latest data on the vessels' ETA (estimated time of arrival), ETD (estimated time of departure), speed, fuel consumption, CO₂ emission based on the fuel consumption, cargo information, etc. This will make it easier for the operators to

NORS IS A GOOD BET

One of NPP's major customers, BP, sees many good elements in NORS (see page 3), and BP invites the Pool to further development in the area

"The philosophy behind NORS is spot on. It's a clear-cut way of reducing fuel consumption and CO₂ emissions," says Global Chartering Manager Lars Dencker Nielsen from BP, which is one of the world's largest transporters of oil. BP was one of the first companies to be introduced to NORS.

"There are great potentials in carrying the transports through in a better way than today's. NORS is a good bet at what way the shipping industry ought to go. The idea of sharing achieved gains between the customer and the operator will definitely motivate to improve efficiency in relation to both port stays and the voyage," says Lars Dencker Nielsen.

Blue book

Ulla Eithz Larsen, 36, is Process & Performance Manager. She was trained as shipmaster with A. P. Møller – Mærsk and sailed container vessels for a number of years. She went ashore as Chief Officer in 2002 and worked at A. P. Møller – Mærsk with cargo planning and operations tasks, tonnage design and optimization in addition to sale and purchase of container vessels before she was employed in NPP in August 2008.

“My unconventional background provides me with an opportunity to bridge the gap between sea and land and think the needs of both the vessels and the Operations Department into the systems. At the same time, I have an eye on how to lighten the working day, and we can optimise the processes both places,” she says.

Morten Møller Jensen, 43, is General Manager and Head of Operations. He is trainee from A. P. Møller – Mærsk in 1982 and was employed there for 22 years before he joined NPP in 2008. Morten has much international experience and has worked in the UK, Belgium, France, Chile and South Africa to name a few places. He has also worked as General Manager in Maersk Line and APM terminals in Copenhagen, as Senior General Manager in Maersk US, as Director in Maersk South America in Brazil and as Managing Director in Maersk Bangladesh.

“For many years, I have worked with liner traffic where the vessels arrive at fixed slots and have very short waiting periods and very efficient port stays. In a number of area I believe that we can achieve the same within tankers as the major oil companies have extensive control of the production chain from terminal to terminal,” he says.

assist the vessels in optimising the voyage. At the same time, data on the vessels’, agents’ and operators’ performance in all sub-sections is being generated in the system on an ongoing basis.

Lower costs

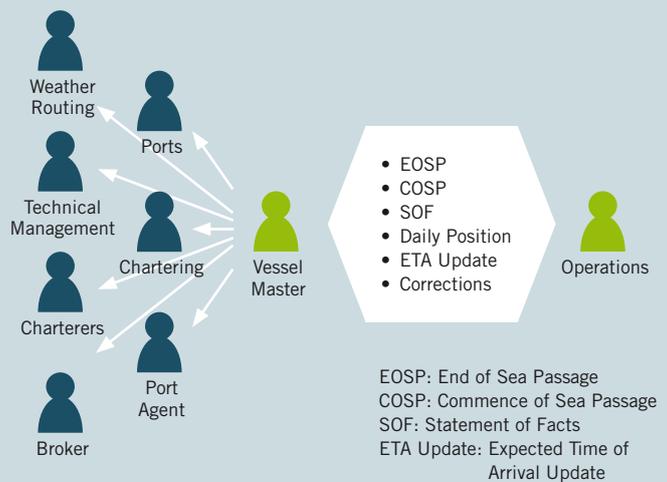
“The objective with MOEPS has three sides: firstly to ease and streamline the administrative tasks onboard the vessels and in the Operations Department, secondly to ensure common and updated online access to information and tools and thirdly to make it possible for all involved parties to identify areas where we can improve our performance and reduce our costs on the basis of best practice,” Process & Performance Manager Ulla Eithz Larsen explains, who has developed the system together with Morten Møller Jensen.

“The way I see it, it is possible to implement NORS with some minor adjustments at selected integrated oil companies, where the oil is not traded in transit and only few parties are involved. In more complex value chains, for instance BP’s, the oil is traded in transit several times, and many parties are involved. Here it is necessary to have a widely accepted model for how the industry objectively defines and determines such factors as “theoretical arrival time” and lay time and for how to legally handle these things in charter parties and oil contracts. BP will soon be ready with a suggestion on this. We aim to invite a number of selected shipping companies and operators, including NPP, for a discussion of the design of such a system. In addition, we would like to discuss how to test it as soon

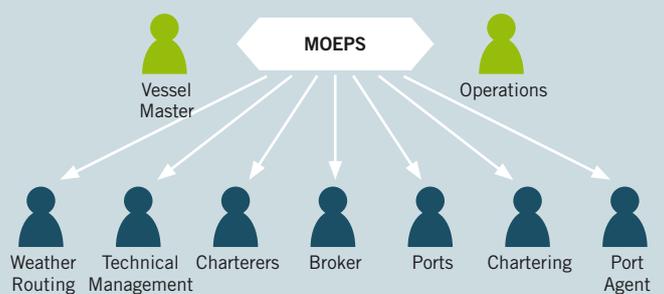
Information streams in NPP then and now

The vessels used to handle the contact directly to a large number of parties: ports, agents, charterers, brokers, the Technical Department, weather services, etc. and to send oceans of reports manually to the Operations Department in NPP. Now all information is gathered in a joint “digital log book”, MOEPS, which from now on will form the basis for the vessels’ and the Operations Department’s ongoing dialogue with the parties.

Information flow – before MOEPS



Information flow – after MOEPS



as possible in practice, preferably before the end of 2009,” says Lars Dencker Nielsen.

Lars Dencker Nielsen from BP believes that the philosophy behind NORS is right



BREAKTHROUGH IN HANDYSIZE

First long-term contract in the Middle East and largest contract to date in Handysize



Receiving port for alumina at Dubai Aluminium Company in Jebel Ali

NORDEN has entered into an extensive Contract of Affreightment with one of the world's largest aluminium smelting works, Dubai Aluminium Company, about transportation of alumina from Australia to the United Arab Emirates. Alumina is a fine-grained product which is used in the production of aluminium.

The agreement covers a large number of cargoes in the size range of 25/35,000 million tonnes in the course of 2009, and it marks a breakthrough for NORDEN's Handysize segment in more ways than one, says Senior Chartering Manager Jan Ivarsen from Handysize Chartering in the Dry Cargo Department.

Solid platform

"The contract is to date the largest comprehensive deal, we have made within Handysize. At the same time, it is the first long-term Contract of Affreightment we have entered into in the region, and this can provide NORDEN with a solid platform for further promotion. Alumina is a so-called high priced commodity, and this makes the Handysize vessels particularly suited for these transports, as no one wishes to tie up capital in larger stocks of the product than necessary for the on-going production. Therefore, many prefer to take small deliveries at a time, and the Handysize vessels are well suited for this qua their size," Jan Ivarsen explains.

A large part of the world's aluminium smelting works are located in the Middle East due to the easy access to inexpensive energy. Currently, two new smelting works are being built, and they are expected to be ready for production in 1-2 years time. This will create further demand for transport of cargoes. Aluminium is used in particular in materials having high requirements to durability and low weight, For instance in body works and parts for cars and airplanes, in components for bridges and ships as well as in facing for roofs and facades.

Handysize is NORDEN's youngest active dry cargo segment. At the turn of the year, the Company had 14 active vessels, and in the course of 2009 further 4 owned newbuildings will be delivered.

The agreement can provide a solid platform for further promotion in the Middle East, says Jan Ivarsen



LONG-TERM CONTRACTS PROVIDE SECURITY

NORDEN is on the short list of many of the long-term Contracts of Affreightment (COA), which are offered during these months

"Long-term COA's, like the contract with Dubai Aluminium Company, are of great interest to us: They secure solid and long-term cash flows, we know the rates ahead, and we have the opportunity to optimise utilisation of the fleet because we know the future needs and conditions," explains Senior Vice President Peter Norborg, Head of the Dry Cargo Department.

In 2008, long-term COA's secured NORDEN coverage of around 34,000 ship days in Dry Cargo in 2008-2023. COA's are contracts on transportation of cargoes at an already fixed price, and these kinds of contracts are very favourable to both customers and the Company.

Increased focus on security

"Long-term contracts secure price and delivery for the customers, and especially the latter has become increasingly important due to the uncertainty in the market. Just like we wish to make contracts with solid cooperators who perform the tasks, deliver the cargoes and pay on time, our customers wish to cooperate with solid shipping companies where they can be sure that we will carry out the transport at the agreed time, price and quality – also far into the future" says Peter Norborg.

NORDEN stands strong

"Even though the market has slowed down in many ways, and there is fierce competition for each contract, we experience genuine

concern among large charterers about who they dare to enter into agreement with. Considering our tradition for long-term partnerships and our financial strength, NORDEN stands strong in cases like this. We are on the short list of many of the COA's which are offered during these months, and that is very satisfactory and an important recognition from the market to us," says Peter Norborg.

NORDEN has a number of long-term COA's in Dry Cargo. The largest COA ever in the Dry Cargo Department was concluded in September 2008 with the Taiwanese power company and covers transportation of more than 15 million tonnes of coal over a period of 15 years. Shipments will commence in 2011 and will entail coverage of around 400 ship days per year during the period.



Security in price and delivery is essential to the customers, says Peter Norborg

NORDEN's owned Capesize unit NORD-KRAFT

MORE ACTIVE ROLE IN CAPE-SIZE

Capesize will soon become a somewhat more active segment in NORDEN. In recent years, the Company has solely had Capesize vessels on long-term timecharters, but this course is now slightly adjusted, says Senior Chartering Manager Michael Boetius, who is responsible for Capesize and Post-Panamax in the Dry Cargo Department.

"In part, there are customers – e.g. mining companies – who ask us to trade actively within Capesize. In part, in today's markets we assess that it is healthier both from a financial and a counterpart perspective, to operate the vessels ourselves in stead of entering into new long-term timecharter agreements," says Michael Boetius.



Late summer, NORD STEEL – a 180,000 dwt vessel on long-term charter built in 2007 – will be the first Capesize vessel which NORDEN will operate and procure cargoes for ourselves. Next year, she is expected to be followed by NORD-ENERGY and the Company's owned vessel NORD-KRAFT, when the 2 vessels are re-delivered to NORDEN from the timecharter agreements.

Capesize is a volatile segment so in order to minimise the risk of operating the vessels ourselves NORDEN has increased coverage in Capesize to 89% this year, 73% in 2010 and 80% in 2011 by selling Forward Freight Agreements. The core fleet in Capesize counts 2 owned vessels and 3 units on long-term charter with purchase option.

THE CRISIS PROVIDES OPPORTUNITIES

Blue book – Arvid Grundekjøn

Nationality: Norwegian

Age: 53

Education: Master of Laws, economics graduate, PMD from Harvard Business School.

Position: Chairman and self-employed.

Directorships: Chairman of the Board of Directors of Statkraft AS, Sparebanken Pluss and Creati AS.

Career: 1988-2008 in the Anders Wilhelmsen Group as CFO, CEO and chairman of the Board of Directors, among other things.

Civil: Married and 2 children. Honorary consul general for Latvia.



The stage is set for a change of guard at NORDEN's annual general meeting on 23 April 2009. At their own request, Dag Rasmussen and Einar K. Fredvik, who are both associated with Rasmussengruppen, are resigning from the Board of Directors. Instead, the Board of Directors are proposing Arvid Grundekjøn as a new member of the Board of Directors. He is one of Norway's most respected executives with a long career within shipping, among other things.

"Arvid Grundekjøn has broad experience as director and member of the Board of Directors of large and internationally engaged groups. He will supplement the competencies of the Board of Directors within general management, strategic development, investment, finance and shipping," says NORDEN's Chairman of the Board of Directors Mogens Hugo when stating the reasons for the proposal.

Very good business model

Arvid Grundekjøn himself motivates his candidacy for the Board of Directors in the following way:

"NORDEN is an interesting and significant shipping company. During the years, I have worked a lot with shipping, and I look forward to the opportunity of continuing to be engaged in these markets. NORDEN has a very good business model where tonnage can be increased or reduced depending on the market conditions. Together with the many purchase options, this gives NORDEN a very valuable flexibility. NORDEN is also financially strong, and I feel that the employees have solid knowledge and experience, and that the systems are working. So all in all, it is a very future-oriented company which I would like to work for," says Arvid Grundekjøn.

Ideas and input

The large imbalance between supply and demand is a challenge for everyone, but the crisis also provides opportunities for the strongest shipping companies such as NORDEN, Arvid Grundekjøn points out.

SWIFT SALE OF MAJOR SHAREHOLDING

In one of the swiftest and largest sale of shares in Europe this year, 10.6% of NORDEN's shares changed hands in March and was acquired by a number of institutional investors.

The seller was Norwegian Kristiansands Tankrederi AS (a company in the Rasmussen Group), which wanted to diversify their risks by reducing their ownership in NORDEN which constituted an overweight of Kristiansands Tankrederi's assets.

The shares were sold in an Accelerated Book-built Offering by which investors were invited to make their bids. It was quickly evident that the process attracted more buyers than required, and when the book was closed after only 3 days, 4,723,060 shares had been sold at a price of DKK 150 each. The arranging bank could have sold even more shares – the interest was this great even though the price was somewhat higher than the market price during those days.

The transaction at a value of more than DKK 708 million (approximately USD 123 million) was the largest placing of shares in one block in the Nordic countries this year and among the 3 largest in Europe. Approximately 100 investors bid for the shares of which more than half went to a number of investors from the Nordic countries (Denmark, Sweden, Norway and Finland), about one-third went to investors in Great Britain and the rest to investors in other countries, including the USA.

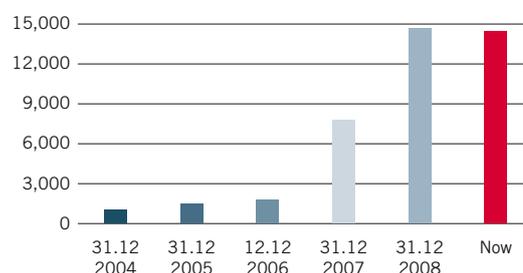
NORDEN participated in the sale on two sides. On one hand, NORDEN acquired a minor lump of the shares on offer and on the other the roadshow following the annual report was somewhat extended in order for NORDEN's management to meet with more investors. The roadshow included about 50 meetings held in Copenhagen, Oslo, Stockholm, London, Frankfurt and New York in addition to telephone conferences, information meetings and webcasts.

Expanded group of owners

After the sale, Kristiansands Tankrederi owns 10.9% of NORDEN's shares. The Company's largest shareholder A/S Motortramp – long-standing major shareholder – remains unchanged with 26.6%, and NORDEN follows with 5.8% treasury shares. The holding of treasury shares has increased from 4.96% at year-end, and the treasury shares are used in particular to cover share option programmes.

More than 14,500 shareholders have chosen to register their shares in NORDEN by name. The number of shareholders has nearly multiplied by ten in only a few years.

Shareholder registered by name



Arvid Grundekjøn is proposed as a new member of the Board of Directors. He sees NORDEN as a future-oriented shipping company which he would like to work for. And he points out that the crisis provides opportunities for the strongest shipping companies

"The crisis constantly puts extra pressure on responding correctly to the market and ensuring good and rational running of companies. It is important that the Board of Directors takes on a role that goes beyond pure control. The Board of Directors will also have to contribute to the business development and come up with ideas and input in good dialogue with the day-to-day management, says Arvid Grundekjøn.

He has been chairman of the Board of Directors of Norway's largest power plant company, the state-owned Statkraft AS, since 2004. In those years, Statkraft has developed from being a predominantly Norwegian hydroelectric company to become a large European power company with approximately 150 hydroelectric and gas plants, wind mill parks, solar energy and trade with power and gas. Presently, he is also chairman of the regional bank Sparebanken Pluss with head office in Kristianssand and the investment company Creati AS of which he owns 50%.

Until 2008, Arvid Grundekjøn was chairman of the Board of Directors of the Anders Wilhelmsen Group, one of Norway's largest business conglomerates, which has been the focal point of most of his business career. Last year, he also resigned as member of the Board of Directors of the world's second largest cruise company, Royal Caribbean Cruises Ltd. (RCCL), which operates 38 vessels and is listed on the New York Stock Exchange. RCCL is partly owned by the Anders Wilhelmsen Group.

Overall, Arvid Grundekjøn was associated with the Anders Wilhelmsen Group for 20 years as CFO, CEO and chairman of the Board of Directors, among other things. In 1992-2000, he was also CEO of the listed Awilco, the Group's shipping and offshore activities, which has been engaged in bulkers, oil and product tankers, car vessels, offshore supply, drilling rigs and technical management.

NORDEN NOTER

Dividend of USD 100 million

At the annual general meeting, the Board of Directors will propose that NORDEN pays a dividend of DKK 13 per share, equalling a total expense of USD 100 million. This is the second highest ordinary dividend in the history of the Company – only surpassed by last year's dividend of DKK 35.

With this dividend, the Board of Directors have attempted to bring three considerations together: The shareholders should receive a decent dividend following the record profit for 2008. But at the same time, the turbulent markets require that NORDEN has an extra financial buffer, and the financial muscles must also be able to stretch in order to explore the opportunities arising.

Gathering competences

Norient Product Pool (NPP) strengthens the competences in specialised operation teams for small vessels (Handysize) and large vessels (MR/LR1). At the same time, each vessel is appointed a Master Operator who functions as the main contact for the vessels, agents and charterers. The reorganization strengthens the operators' knowledge of the individual vessels and special conditions in relation to different cargo types, and it will among other things imply better service efficiency improvement.

Control in Cyprus

In addition, NPP centralises its control tasks in a Control Function in Limassol in Cyprus responsible for freight settlements, claims and follow-up on payments.

"By transferring all these tasks to the Control Function in Cyprus and expanding the office staff from 4 to 8 employees, we have achieved quicker freight settling and payment follow-up as well as a more uniform document handling and control in addition to leaner case handling. We also get a clearer picture of our costs, and we count on further gains in the form of earlier payments," says General Manager Johnny Holm, head of the office in Cyprus.



Staff at the office in Limassol with Johnny Holm at the back

New shipping trainees

Again this year, there has been strong interest in getting a shipping education in NORDEN.

A couple of months ago, NORDEN started advertising for trainees in the media, and the campaign also included the website www.shippingtrainee.dk and an information meeting in Hellerup. The inquisitiveness among the 50 attendees was great, and a lot of questions were made to the hosts, who included the trainee responsible in the HR Department as well as one first year trainee and one second year trainee.

As a gimmick, a competition was arranged via the website. The winner was Troels Hjaltelin, who can look forward to try his strength against the life as a shipping trainee at NORDEN's office in Shanghai for 3 days.

This year, NORDEN expects to take on 4 new shipping trainees. Currently, the Company has 24 young trainees on shore. In addition to 13 shipping trainees, there are 2 IT trainees, 1 accounting trainee and 2 trainees from Shanghai at the head office in Hellerup. At the overseas offices, there are 3 shipping trainees in Singapore, 2 in Shanghai and 1 in Annapolis.



The colours from the universe at www.shippingtrainee.dk were reused in the job advertisements

The E, which actually isn't an E

... But looks like one! This is the very short version of the story about NORDEN's logo

Until 1993, NORDEN's logo was the shipping flag on a flagpole. Very traditional as seen in many other shipping companies.

Then the CEO at the time, Steen Krabbe, gave the assignment of creating a "brand new and different" logo to the bureau Gorm Larsen & Partners A/S. Gorm Larsen decided that the name NORDEN was going to be the carrying element in a simplistic and easily recognisable logo. And at the same time, he recognised the opportunities presented by the black-white-red chimney brand and by the red shipping flag with the white star.

"Then the solution was obvious. The E in the name was replaced by the chimney brand with the white star in the red field. Phonetically the name was now understood as NORD'N, but visually as a whole: NORDEN," says Gorm Larsen.

Moreover, both the chimney brand and shipping flag have the same appearance as they did in 1872 when they decorated the Company's first vessel.



Open house for shareholders

As promised at last year's general meeting, NORDEN's shareholders are invited to a tour of the Company's domicile "Bryghuset" in Hellerup, north of Copenhagen.

The event will take place on **Wednesday 10 June 2009 at 3.30 pm** where a light meal will also be served.

Shareholders can read more about the event on the website

www.ds-norden.com/investor/ where you can also sign up for the event by stating your VP reference number.

If you are prevented from participating in the event, you are welcome to enjoy a visual tour of NORDEN's domicile in the film "Bryghus Film – NORDEN's Headquarters" which can be found at www.ds-norden.com/profile/visualpresentations/.

No. 1



Anders Hansen celebrating his victory in Joburg Open

The golf player Anders Hansen, who NORDEN since October 2007 has sponsored with a minor amount and who has acted as instructor at the NORDEN Invitational golf tournaments in Japan, is currently unrivalled in the lead in the South African PGA tour "Sunshine Tour" following victories in the grand tournaments of Joburg Open and Vodacom Championship.

The amazing scores have also strengthened his rank on the European golf scene where he is currently among the top 25. The Sunshine Tour totals 30 major and minor tournaments which all count in the league table. If Anders Hansen is successful at maintaining the leading position with his performance in the Sunshine Tour throughout the year, an added bonus will be direct invitations to some very cash-rich tournaments and several of next year's majors.

Part of the sponsorship agreement with NORDEN is that Anders Hansen carries NORDEN's logo on his golf caps and blouses. With his current rank, he brilliantly promotes NORDEN's core value of ambition and aim to be no. 1.

Soya bean flour to Århus

A delegation of operators and shipping trainees from the Dry Cargo Department went to visit NORD LEADER, when it called at Århus (Denmark) to unload soya bean flour. Before calling at Århus, the vessel had taken the long voyage of 5,300 nautical miles from Itacoatiara in Brazil.

"The weather was nice for unloading and everything went according to plan. Captain and crew worked hard, were very service-minded, and they happily shared stories about their life at sea," says one of the first year trainees, Alexander Sillehoved. Both him and his colleagues agree that the smell of soya bean flour – which is chiefly used in animal feed production – stick to your clothes.

The long-term chartered NORD LEADER was built in 2007, has a maximum loading capacity of 55,000 metric tonnes, a draft of 12.5 metres and is 189.5 metres long.



Soya bean flour in one of NORD LEADER's cargo holds



It was a great experience, says Alexander Sillehoved (to the right)

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 216 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 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.

Tankers

NORDEN is active in the Handysize, MR and LR 1 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

– annual result for 2008

Profit: NORDEN's profit was the best to date. The net profit for the year was up approximately 1% to USD 708 million or DKK 3,609 million. The return on average equity was 47%. Cash and cash equivalents rose by USD 187 million to USD 807 million.

Outlook: For 2009 expected EBITDA is USD 100-340 million (USD 100-300 million in Dry Cargo and USD 20-50 million in Tankers).

ADDRESS

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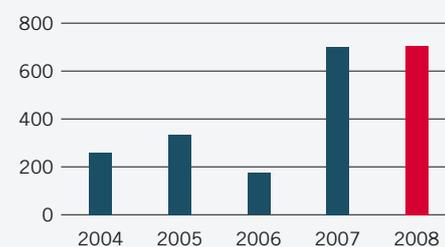
MANAGEMENT

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

NORDEN's MASTER DATA

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

Resultat (USD m)



LESS SULPHUR IN BUNKERS

NORDEN reduced the sulphur content in bunkers (fuel) by 8% in 2008. The active effort to reduce sulphur is continued in 2009

NORDEN's effort to reduce the sulphur content in the vessels' bunkers has paid off. In 2008, the average sulphur content in all purchased fuel was reduced to 2.31% compared to 2.51% in the last months of 2007. That corresponds to a reduction of 8%.

The goal for 2008 was a sulphur content below 2.75%, and the goal for 2009 has been tightened to 2.3%. The continuous statement of sulphur content in bunkers started at the end of 2007, and at the same time, sulphur content became an important parameter for NORDEN's Bunkers Department when purchasing bunkers.

Scale obligates

In 2008, NORDEN's Bunkers Department purchased more than 1 million tonnes of bunkers for the Company's owned and chartered vessels as well as the vessels in Norient Product Pool.

"This scale obligates. As part of NORDEN's environmental and climate policies and our general CSR efforts, we wish to actively contribute to reducing sulphur and other emissions as much as possible where it is technically and financially possible," says Lars Lundegaard, Senior Vice President and Head of the Technical Department.

Difference in availability

NORDEN's Bunkers Department managed by General Manager Klaus Stamp purchases bunkers in ports all around the world, and there is great difference in the availability and the price of bunkers with a low sulphur content in e.g. Singapore, Gibraltar and Panama, which presently are NORDEN's most important bunkers ports.

"It takes tight planning and a good deal of enthusiasm in our operations and bunkers departments to ensure a lower level of sulphur, but we believe that this is the only right way to go. When making this effort, we and our suppliers are also preparing ourselves for the new and stricter limit values from IMO," says Lars Lundegaard.



New limit values

The limit values for sulphur content in bunkers have been determined by the UN's international shipping organisation, IMO. Presently, the limits in international waters are 4.5% sulphur, while the level is 1.5% in specially selected Sulphur Emission Control Areas (SECA) as e.g. the Baltic Sea and the North Sea/the English Channel. But IMO has recently determined new and ambitious standards. In international waters, the sulphur content in bunkers must be reduced to 3.5% with effect from 2012 and 0.5% with effect from 2020. In SECA areas, the new levels are 1% from 2010 and 0.1% from 2015.

Cleaner Shipping

The new sulphur levels are a big challenge for both shipping companies, suppliers of bunker oil and the maritime industry, and it demands close co-operation between authorities, research institutions, industry, the oil business and the shipping companies on developing fuel and environmental technology. In November 2008, the Danish Shipowners' Association and the Danish Environmental Protection Agency entered into a partnership for Cleaner Shipping and have just launched a common plan of action with a number of initiatives within mapping emissions from shipping, development of environmental technology and stricter legislation. Alongside this, Danish shipping companies, including NORDEN, are carrying out a number of their own initiatives. The plan of action is available on the Danish Shipowners' Association's web site www.shipowners.dk

GreenSteam til eksamen

After around six months of testing the trim optimisation system GreenSteam™ on the product tanker NORD SNOW QUEEN, the system is now developed to provide the crew on the bridge and in the engine room with online recommendations on speed, position of the helm, the settings of the engine, the use of ballast tanks etc. In that way, the crew can ensure optimum trim of the vessel while sailing.

Until summer 2009, NORDEN will test if NORD SNOW QUEEN can actually reduce fuel consumption – and thereby CO₂ emissions – in practice by the expected 4% by sailing in accordance with the system's recommendations. Based on this, NORDEN will decide if GreenSteam™ should be implemented in general on NORDEN's own vessels as part of the effort to reduce the emission of greenhouse gasses.

New CSR Executive Body

In April 2008, NORDEN's Board of Directors established a Corporate Social Responsibility Executive Body, which is going to manage the development in the CSR area, advise NORDEN's management and Board of Directors about CSR-related questions and draft guidelines for the Company's policies in relation to environment and climate. In 2009, the committee was re-organised. CFO Michael Tønnes Jørgensen was appointed new committee chairman. Other members include Senior Vice President Lars Lundegaard from the Technical Department, Head of Corporate Communications Hans Bøving and Analyst Birgitte Jeppesen from Corporate Secretariat.

EMPLOYEE NEWS

Management

2 January 2009: *Michael Tønnes Jørgensen*, 43, was employed as Executive Vice President & CFO.

Corporate functions

11 December 2008: *Christopher Hollyoak Frederiksen* transferred from a position as shipping trainee to the Legal Department as Administrative Assistant.

21 January 2009: New structure in the Corporate Secretariat, which now includes the following sections:

Business Development, headed by *Mikkel Nielsen*, appointed to Department Deputy. Commercial Support, headed by *Mads Pilgaard*.

Risk Management, headed by *Marianne Christensen*.

Finance Department

16 January 2009: *Christian Hey* transferred from a position as Student Assistant in the Legal Department to Student Assistant in the Finance Department.

26 January 2009: *Danny Oved* transferred from a position in Accounting to the

Finance Department as Assistant Financial Controller.

2 February 2009: *Rikke Bech Høngaard* transferred from a position as Controller in the Dry Cargo Department to the Finance Department as Financial Assistant.

Tanker Department

24 March 2009: *Majbritt Overgaard Jacobsen* transferred from a position as Controller in the Dry Cargo Department to the same function in the Tanker Department.

Technical Department

1 January 2009: *Henrik Christensen*, Assistant QA Manager, appointed to QA Manager.

1 January 2009: *Casper S. Andersen*, Assistant Superintendent, appointed to Superintendent.

26 January 2009: *Susanne Alsing* transferred from a position as Secretary in Projects in the Dry Cargo Department to the Technical Department as Secretary.

9 February 2009: *Elsebeth Sidenius Nielsen*, 54, was employed as a maternity cover in Crew Account

13 March 2009: *Susanne Fauerskov*, Crew Account Manager, went on maternity leave.

Dry Cargo Department

1 January 2009: *Mikkel Fruergaard*, Senior Chartering Manager, appointed to General Manager.

1 January 2009: *Thomas Jarde*, Senior Chartering Manager, appointed to General Manager.

1 January 2009: *Adam Nielsen*, Chartering Manager, appointed to Senior Chartering Manager.

15 January 2009: *Dorte Nielsen* transferred from a position in Singapore to the Dry Cargo Department as General Manager/Head of Dry Cargo Operation/Bunker.

21 January 2009: *Ewa Melan Nietschke*, Analyst in Corporate Secretariat, transferred to the Dry Cargo Department as Secretary.

17 February 2009: *Charlotte Nymark*, Assistant Chartering Manager in Singapore, transferred to the Dry Cargo Department as Chartering Manager in Handysize Chartering.

2 March 2009: *Michael Særmærk*, Controller in Singapore, transferred to the Dry Cargo Department as Controller.

NEW SITE OFFICES IN ASIA



Steel cutting ceremony at Shanghai Shipyard. Site Manager V. G. Vijayan in the middle with his wife and representatives from the yard

NORDEN has very recently opened a site office at Shanghai Shipyard in China. From here, Site Manager V. G. Vijayan and his team will supervise the construction of Post-Panamax bulkcarriers for delivery in 2010. This is the first time that NORDEN builds at the yard, which is located on Chongming Island.

Currently, NORDEN has 3 site offices in China. The site offices are staffed by employees with competences within steel, coating and engines. They supervise the construction progress and ensure that the vessels are being built according to specification.

Recently, NORDEN also opened a site office at Mitsui Chiba Shipyard in Japan. At this office, Jon R. M. Boesen is head of the project team, which today is the only one in Japan. The yard is building a series of Handymax bulkcarriers for delivery in 2009 and 2010, and the yard has built vessels for NORDEN since the 1970s – the latest was 3 Handymax bulkcarriers in 2005.



9 March 2009: *Rasmus Saltofte*, Assistant Operations Manager in Singapore, transferred to the Dry Cargo Department as Assistant Operations Manager in Panamax Operation.

Annapolis

1 January 2009: *Jacob Koch Nielsen*, Assistant Operations Manager, appointed to Operations Manager.

23 January 2009: *Claus Hartmann*, Senior Operations Manager, transferred to a position as Port Captain.

1 March 2009: *Owen Mulford* finished his training and appointed to Assistant Chartering Manager.

Shanghai

1 January 2009: *Gry Rostrup*, Assistant Chartering Manager, appointed to Chartering Manager.

Norient Product Pool

Hellerup

1 January 2009: *Jesper Rask*, Senior Chartering Manager, appointed to General Manager.

1 January 2009: *Jens Christophersen*, General Manager, appointed to Vice President.

2 January 2009: *Claus Hyllested*, 41, was employed as Operations Manager.

2 January 2009: *Nicolai Baden Madsen*, 33, was employed as Operations Manager.

23 March 2009: *Jeppe Mulvad Larsen*, 28, was employed as Student Assistant in the Process & Performance section.

Cyprus

1 January 2009: *Johnny Holm*, Head of Demurrage, appointed to General Manager.

12 January 2009: *Eleni Nicolaou*, 42, was employed as Controller – Disbursements.

27 January 2009: *Nina Nicholas Morgan*, 24, was employed as Demurrage Negotiator – Control.

Workforce reduction

13 January 2009: NORDEN carried out collective redundancies among the shore-based staff, which entailed 19 terminations in Hellerup, 4 in Annapolis, 5 in Shanghai and 9 in Singapore.

NORDEN's vessels

Mt. NORD BELL

17 February 2009: *Lars Bjørn Thorkilsen*, 43, was employed as Third Officer.

Mt. NORD BUTTERFLY

12 January 2009: *Jakob Waag Thomsen*, 24, was employed as Fourth Engineer.

Mt. NORD MERMAID

5 January 2009: *Christian Egegaard Nielsen*, 30, was employed as Apprentice Officer.

10 February 2009: *Jesper Faldt Faurholt*, 25, was employed as Fourth Engineer.

Mt. NORD SNOW QUEEN

1 January 2009: *Henning Stig Jacobsen*, 45, was employed as Chief Officer.

6 January 2009: *Eigil Holm Thøisen*, 57, was employed as Second Engineer.

13 March 2009: *Lars H.D. Larsen*, 47, was employed as Second Engineer.

1 April 2009: *Jens Kastberg Jensen*, 33, was employed as Third Engineer.

15 April 2009: *Kaj Tausen*, 51, was employed as Chief Officer.

Mv. NORD WHALE

2 January 2009: *Niels Kristian Klausen*, 56, was employed as Master.

Other Apprentice Officers/Senior Officers

1 January 2009: *Jens Jacob Christiansen*, 26, was employed as Apprentice Officer.

1 January 2009: *Simon Tranberg Vammen*, 21, was employed as Apprentice Officer.

1 April 2009: *Jonas Bach Kofoed*, 32, was employed as Apprentice Officer.

30 March 2009: *Thorgeir Waalle*, 56, was employed as Second Engineer.

15 April 2009: *Kari Anfinnur Hansen*, 41, was employed as Chief Engineer.

1 May 2009: *Hans Arne Bertholdsen*, 44, was employed as Second Engineer.

Celebrations

Rio de Janeiro

17 February 2009: *Maria Helena Veiga Guimarães Ferreira*, Administrative Assistant, celebrated her 50th birthday.

Technical Department

17 January 2009: *Susanne Alsing*, Secretary, celebrated her 50th birthday.

Dry Cargo Department

1 April 2009: *Michael Særmærk*, Controller, celebrated his 10 years anniversary.

7 April 2009: *Henrik Walstrøm Larsen*, Controller, celebrated his 60th birthday.

26 April 2009: *Christian Ingerslev*, General Manager, Handysize Chartering, will celebrate his 40th birthday.

NORDEN's vessels

15 November 2008: *Jørn Roos Andersen*, Chief Steward onboard mt. NORD BELL, celebrated his 25 years anniversary.

28 March 2009: *Kim Aarup*, Captain onboard mt. NORD BUTTERFLY, celebrated his 50th birthday.

3 April 2009: *Kjell H. C. Malmberg*, Captain onboard mv. NORDPOL, celebrated his 50th birthday.

23 April 2009: *Finn Høidam Madsen*, Captain onboard mv. NORD WHALE, will celebrate his 60th birthday.

GO FISH!

12 cod, 1 whiting, 1 flounder, a couple of mussels, an indefinite number of herring, red cheeks and windy hair were the results of NORDEN's Hunting Club's annual sea fishing trip in Oresund

22 early bird fishermen – adults, children, experienced anglers and beginners – left Rungsted Havn on board the cutter HANNE-BERIT to fish for herring and codfish. The fishing took place in calm sea, and already at the first fishing spot – north of the island Hven – there was jackpot, when the lines got into the water and met a school of herring. Lucky owners of a fishing rod with herring snood could catch as many as 4 herring at a time.

One of the trip's highlights was when last year's winner of "Catch of the year" caught not only one but two large cod at the same time. One bit the hook and the other the so-called octopus. Happy and satisfied with 2 x 3 kilos of cod, Allan Wodstrup (Senior Chartering Manager in



Peter Westergaard proudly presents the largest cod



Enthusiastic adults and children fishing away on the sea fishing trip in Oresund

Norient Product Pool) regained the honour of "Catch of the year" and won the bottle of red wine which NORDEN's Hunting Club staked as the first price in the adults' competition.

In the childrens' competition, the main price – a large Easter egg – was won by 11-year-old Peter, who caught the largest cod, a beauty of 4.2 kilos. Peter is the son of Søren Westergaard, General Manager in the Technical Department.

NORDEN Hunting Club also arranges clay shooting as well as small hunting trips. The purpose of the Hunting Club is, among other things, to strengthen the social relations between the employees.



NORDEN's first American trainee

A SIGN FROM ABOVE

When Owen Mulford, as part of his International Transportation Management studies at the State University of New York Maritime College, was in Copenhagen in the summer of 2007, he had no idea that there was a company called Dampskibsselskabet NORDEN.

After visiting The Little Mermaid, Owen and some of his fellow students coincidentally went past the former headquarters in Amaliegade 49. They thought it was a stately old building and asked a passer-by about who was residing in the building. The answer

was: "The shipping company NORDEN, one of Denmark's largest and oldest shipping companies". Owen's interest was aroused, and when he came back to New York, he looked up NORDEN on the internet.

To his surprise, he saw that the Company also had an office in the USA – even in Annapolis where he was born and raised. It was a "sign from above", he thought. Therefore, Owen immediately contacted the office in Annapolis, and shortly after, he was hired as NORDEN's first trainee in the USA. He recently graduated and is now working as Assistant Chartering Manager.

Trainees in the overseas offices are generally older than trainees at the headquarters, and they usually have a further maritime education. Owen is thus 27 years old, and in addition to his Masters Degree in International Transportation Management, he is also educated as a US Coast Guard.