

# NORDEN News

## Fair Wind

NORDEN has had another prosperous year in 2005. We have experienced a significant increase within the dry cargo and tanker segments, and Norient has had a fine start. This is the year in which NORDEN has expanded the fleet to the extent where we now operate 124 vessels with another 49 on the way. This is the year in which we have become around 400 employees on land and at sea, in which the overseas offices have proven their worth, and in which we have strengthened the organisation of the Technical Department, enabling it to handle recruitment, shipbuilding, and ship management at a rapidly increasing scale. And this is the year in which the Chinese market has become increasingly significant.

In this issue of NORDEN News, we will therefore be focusing on the Chinese market, the management of our many newbuildings coming from China, and the major naming ceremony of the vessel NORD PRINCESS in Guangzhou by Her Highness Princess Alexandra. We also take a look at the way NORDEN's employees handle quality, safety, and environment on board our vessels and how NORDEN's employees spend Christmas and New Year around the world. Enjoy reading this issue.

Merry Christmas and a Happy New Year!

CARSTEN MORTENSEN



## "I name you ..."

Her Highness Princess Alexandra cuts the ribbon and breaks the bottle of champagne against NORDEN's newbuilding – NORD PRINCESS. The articles about the naming ceremony and NORDEN's China visit on pages 2, 3 and 5



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# A Tiger Leap in China

**In 2005, the number of NORDEN vessels to and from China as well as the amount of cargo transported increased by more than 50%. China is one of NORDEN's largest markets**

Since NORDEN established an office in Shanghai three years ago, things have developed rapidly. In the beginning, the office was only manned by one Danish employee. Today, approximately 20% of NORDEN's business originates in China and, on average, a NORDEN vessel calls at a Chinese port every third day.

The Shanghai office now consists of ten employees and recently moved to larger premises to allow for further growth. The staff consists of three chartering managers, one secretary, two port captains, and four part-time charter party auditors. Eight of the employees are local staff.

## Close to the Customers

"The office was established in order to get closer to the Chinese customers who control and own the cargoes and, at the same time, obtaining a better knowledge of the Chinese market and increasing the customers' knowledge of NORDEN", says Andreas Hjort Simonsen, since January 2005, manager in charge of the Shanghai office.

"It is a long process and a huge challenge, since many customers don't speak English. In China,

local transporters are traditionally preferred.

Therefore, local knowledge and understanding is crucial and is provided by our local employee Laser Huang, chartering manager for both the Handymax and the Panamax segments, and by the two local Port Captains Eko Zheng and Radmond Lu. This way, we have gradually gained a good knowledge of the market, customers, and cargoes. And, by setting up our network in the various ports, the efficiency in connection with loading and discharging cargoes has been increased significantly", says Andreas Hjort Simonsen.

## Steel, Cement, and Soya

"The Shanghai office mostly concentrates on the Chinese steelworks, which import iron ore and produce steel, on the cement factories, and the food producers, who import soya beans. We have gained a lot of ground but other areas will also be of interest in the coming years. The Chinese economy is booming with annual GDP growth rates of 8-10% and annual industrial production growth rates of 15-20%. NORDEN would like a share of this growth. It requires long-term focus and that we establish good local relations to customers, authorities, and the shipping community as we, for example, do by sponsoring Shanghai Maritime University", says Andreas Hjort Simonsen (see page 5).

## NORDEN on Chinese TV

The media was on the spot in Beijing when NORDEN and China State Shipbuilding Corporation (CSSC) signed the agreements concerning three newbuildings at a value of approximately USD 105 million. The signatures were affixed during a press meeting, attracting 35 journalists from the daily papers, the trade press, the special media, online services, and TV

The journalists from the written press alone represented a circulation figure of more than 7 million and to this the airborne media should be added. CEO Carsten Mortensen was thus interviewed by two branches of China's largest and top-rated TV network, i.e. CCTV International (China's answer to CNN) and CCTV 4 (the channel of overseas Chinese). Likewise, the Shanghai-based Dragon TV was present. During the press meeting, Assistant President of CSSC Wu Di stated that NORDEN's experience will be beneficial to the Chinese shipbuilding industry and help the country achieve the government's aim to become the world's leading shipbuilding nation by 2015.



CARSTEN MORTENSEN IS BEING INTERVIEWED FOR CCTV



# A Celebration of Partnerships

**With Her Highness Princess Alexandra as a lively and charming head of the delegation, a large number of NORDEN managers, customers, and partners visited China at the beginning of the month**

The occasion was the naming ceremony of NORDEN's third newbuilding at Guangzhou Shipyard International (GSI) – a 38,500 dwt class IMO III Handysize product tanker, which the Princess naturally named the **NORD PRINCESS**.

At the same time, NORDEN signed an agreement for two other newbuildings at GSI in the same series and ordered an additional double-hulled 53,500 dwt Handymax bulkcarrier from Chengxi Shipyard. The Company's programme in China thus totals 11 newbuildings worth USD 315 million.

In addition, the purpose of the trip was to demonstrate NORDEN's interest in and obligation to China, which was also emphasised by Mr. Mogens Hugo Jørgensen, Chairman of the Board of Directors, during his speech in Beijing:

“On this journey, we will be celebrating true partnerships: First of all, the partnership between NORDEN and the shipyards. Secondly and in a broader and longer-term perspective, the partnership between NORDEN and China, whose importance to the Company is constantly increasing. And finally, we are celebrating the partnership between NORDEN and all our customers and partners.”

## **Danish Sub-Contractors**

The five-day journey gathered approximately 200 participants: A permanent delegation of about 50 people was supplemented by a number of guests in Beijing and Guangzhou. The official China was among others represented by Vice-Minister of Communications Xu, Ambassador Zhen from the Embassy

in Copenhagen and Vice President Lu Xiaoyan from China State Shipbuilding Corporation, plus executives from the two shipyards headed by Chairman Li Zhushi and President Han Guang De of GSI and Chairman Hui Ming of Shanghai Shipyard & Chengxi Shipyard.

Ambassador Laurids Mikaelson and Consul-General Jens Alsbrink participated on behalf of the official Denmark. And then there were many of NORDEN's partners, customers, and advisers, as well as journalists and representatives for the nearly 25 Danish companies, appointed as sub-contractors in connection with NORDEN's newbuilding series at GSI.

## **Overseas Traditions**

The campaign was launched on the 130th anniversary of a NORDEN vessel's first call at China. Back in 1875, the Company's first and, at that time, only vessel, which was also named NORDEN, sailed through the Suez Canal bound for Hong Kong and Shanghai, and the vessel operated for a couple of years within the Chinese and Far-Eastern coasting trade. Her Highness Princess Alexandra based her speech in Guangzhou on that fact:

“The great Chinese thinker Lao-tzu once said that any journey of a thousand miles begins with a single step, and the journeys made by the small coal-burning steamer NORDEN back then was only the first step towards something that would become much bigger and more far-reaching, namely NORDEN's overseas traditions and the Company's present, comprehensive cooperation with customers, shipyards, brokers, agents, authorities, and universities in China.”

Her Highness Princess Alexandra grew up in Hong Kong, 175 kilometres from Guangzhou, and she stressed the joy she was feeling, coming back and seeing the constant progress in the region around the Pearl River delta and having your belief confirmed that “shipping literally supports success and progress.”

MORE THAN 60 INVITED GUESTS ATTENDED THE NAMING CEREMONY. IN THE FOREGROUND: NORDEN CHAIRMAN OF THE BOARD MOGENS HUGO JØRGENSEN AND HER HIGHNESS PRINCESS ALEXANDRA



KEEL LAYING



IN THE SLIP-WAY: MOUNTING OF BLOCKS



LAUNCHING

# A Vessel is Built

**Prior to the naming ceremony of the m.t. NORD PRINCESS, lie almost three years of intensive work with contracts, drawings, project management, and follow-up in both Copenhagen and Guangzhou**

On 1 December 2002, Newbuilding Manager Søren Westergaard visited the GSI Shipyard at Guangzhou in China to see their proposal for the building of a 38,500 dwt product tanker. He and the Manager of the Technical Department, Lars Lundegaard, were presented with drawings of the vessel's General Arrangement (main dimensions, accommodations, etc.) and of the *Mid-Ship* Section (the structural design of the vessel). Simultaneously, GSI presented

a comprehensive specification of almost 300 pages, using sketches and text to describe the construction process, which steel to use, which type of accommodation to decide upon, and everything concerning the electrical system, engines, cargo tanks, etc. Finally, the specification comprised a *Makers List* – i.e. the shipyard's list of proposed suppliers for the individual vessel components.

## **Comprehensive Contract and Approval**

The proposal was attractive, and a contract for the first product tankers was signed in March 2003. Subsequent negotiations and adjustment of the proposal were in place in the course of two to three months, and the *Makers List* was established within approximately four months. Approval of the drawings took approximately six months.

“Basically, shipyards are interested in preparing a *Makers List* as long as possible in order to choose the suppliers charging the lowest price, whereas our interest as contractor is to obtain as high quality and as much security of efficient operation as possible. Therefore, it is always a huge challenge to have the *Makers List* adapted to our requirements and experience, and the list is typically established within maximum six months, after which the shipyard can start placing orders and preparing the production”, says Søren Westergaard.

## **Own Project Management at the Shipyard**

Concurrently with the negotiations, the planning with regard to NORDEN's project management and physical presence at the shipyard during the building phase is in full progress. A site manager has to be appointed, who will have the overall responsibility for the inspection and the progress of the building process, will ensure that the building of the vessel takes place in accordance with specifications and drawings, and will supervise the quality. The site manager has to appoint a project team with the appropriate resources and competencies.

Accommodations need to be found plus bank

## **Twelve Milestones in the Production of a Vessel**

1. **Steel cutting**
2. **First block**
3. **Test of main and auxiliary engines at the producer's site**
4. **Keel laying.** The sections are welded together at the slip-way
5. **Installation of all components in the engine room**
6. **Launching.** The vessel has been completed on the outside, main and auxiliary engines are in place
7. **Outfitting.** Check of the vessel, components, tanks. The painting of the vessel is finalised. The accommodation is equipped
8. **Sandblasting and painting of cargo tanks with epoxy paint**
9. **Official Naming Ceremony**
10. **Technical sea trial** where the various systems of the vessel are tested “live”: Speed tests, anchor tests, vibration and noise test, stress test, manoeuvrability, etc. If the vessel passes, it is ready for delivery two weeks later
11. **Delivery from shipyard to owner**
12. **During the maiden voyage,** observations are being registered with regard to the vessel in operation, and non-conformities are taken care of by the shipyard in accordance with the one-year shipyard warranty



FINAL PAINTING OF THE SHIP

accounts opened and, furthermore, work permits, insurances, and documents for the whole team at the shipyard need to be obtained.

Allan Thomsen was chosen as site manager at the GSI Shipyard. His work at GSI started 22 months ago and, prior to that, he had worked for NORDEN at various shipyards in Korea. His first task was to select a team with expertise regarding the various shipbuilding processes, and with good cooperation and communication skills. The team consists of seven members – one site manager, two mechanical engineers, two steel specialists, and two specialists within the fields of sand blasting and painting. Four of the employees are local staff.

### Twelve Milestones and Current Follow-Up

“Our task as a project team is to supervise the various phases of the vessel construction. From our point of view, the construction of the vessel can be divided into twelve phases or milestones, which we supervise and regarding which we submit reports to Copenhagen”, Allan Thomsen explains (see box).

“Our biggest challenge is to ensure a product which is in accordance with the specification and the contract. Often it is an uphill struggle. In China, the challenges typically concern equipment, steel work, welding problems, logistics, and production planning. The tasks accumulate and always seem to collide, so it is not a 9-to-5 job. Things peak close to deadlines. Communication is yet another huge challenge, but it is an incredible help to have local staff on the team”, says Allan Thomsen.

At present, two product tankers have been delivered by the GSI Shipyard. Apart from m.t. NORD PRINCESS, five more sister vessels have been contracted for delivery up to December 2008.

NORDEN also has site employees at the Mitsui Shipyard in Japan. After delivery of the last vessel at Mitsui on 21 December 2005, Site Manager Niels J. Iversen will move to the Chengxi Shipyard in China where NORDEN has contracted three bulkcarriers for delivery during the next 2½ years.

## A Helping Hand to Talent Development in China

Five students and two teachers from the well-reputed Shanghai Maritime University were granted both a royal handshake and a welcome cheque in connection with NORDEN’s visit to China

NORDEN founded two programmes in cooperation with Shanghai Maritime University (SMU): *The NORDEN Scholarship*, which will be awarded every year to the five best third-year students who will each receive RMB 10,000. And *The NORDEN Best Educator Award* which – together with a cheque of RMB 5,000 – will be awarded to two teachers or professors from the faculties elected by the SMU students as the best of the university. The professors are honoured for their teaching, research and integrity. Both programmes will initially run for five years.

“The programs are an important incentive to both excellent students and teachers who would not otherwise have a chance to fulfil their ambitions”, says Yu Shicheng, President of SMU.

### Dialogue is the Keyword

The recipients were presented with their awards by Her Highness Princess Alexandra at a ceremony in Beijing. Before receiving the award, they had had a private conversation with President & CEO, Carsten Mortensen, and Chairman of the Board, Mogens Hugo Jørgensen. And conversation – the dialogue – is the very keyword of the two programmes. NORDEN makes experience and expertise available, but also gains knowledge of the Chinese shipping trade through the dialogue with the academics at SMU.

NORDEN also sponsors the Centre for Maritime Studies in Singapore, collaborates with the IMD Management Institute in Switzerland, and has financed the stay of a Chinese student in Denmark. That way, NORDEN makes a long-term commitment to the local communities and supports the talent development which is so crucial to international shipping.

HER HIGHNESS PRINCESS ALEXANDRA AND NORDEN CHAIRMAN OF THE BOARD, MOGENS HUGO JØRGENSEN PRESENT THE SCHOLARSHIPS



# Safety, Environment and Quality on Board

In a number of areas, NORDEN goes much further than the legislative requirements concerning safety and environment on board vessels. Everything is controlled through detailed SOPs – Standard Operating Procedures – and an active quality culture

Efforts concerning quality, safety, and environment on board NORDEN's vessels are managed by the Technical Department. In all these three areas, NORDEN is committed to meeting Best Industry Practice, says Lars Lundegaard, who has the overall responsibility for the area in his capacity as manager of the Technical Department.

“Quality on board the vessels concerns safety, environment, service as well as efficient operation. In practice, this means that we will not alone comply with the legislation and the common standards agreed but in a number of areas we will go even further. It must be safe to be on board our vessels. They must navigate with a minimum of environmental impact and, at the same time, our crew must provide optimum service in interaction with customers and authorities”, explains Lars Lundegaard.

## High Demands on Ourselves

“For instance, the requirements concerning ventilation, protection against vapour, and *hot work*



(e.g. welding) on board tankers have been tightened. We have introduced those requirements on *all* our vessels, also the dry cargo vessels. There are stringent rules and documentation requirements concerning oil, chemicals, toilet outflow, emissions, and wash water from tank cleaning. Consequently, we have prepared particularly detailed instructions in those areas, and we supervise them closely through internal audits”, says Lars Lundegaard.

## Hotline and Documentation

NORDEN has also established a hotline on which any member of the crew can contact the Company if they think that some of the conditions or actions on board are problematic and not in compliance with the rules or policies of NORDEN. In all areas, detailed SOPs ensure that the authorities' requirements and the policies of NORDEN are incorporated into the various work procedures and that documentation - showing that NORDEN's vessels comply with the requirements - is being prepared on a regular basis.

## Continued Growth in NORDEN

In the first 9 months of the year, NORDEN experienced a 20% increase in the revenues, a 23% increase in the profit after tax, and a 19% increase in the number of ship days

In the *dry cargo segment*, NORDEN has had its busiest third quarter ever with more than 10,000 ship days. Even though the freight rates in the first 9 months of the year were approximately 20% below the same period in 2004, the Dry Cargo Department achieved a favourable result with an 18% increase in the revenues and a 15% increase in the profit after tax.

In the *tanker segment*, the revenues increased by 37% and the profit after tax by 81%. In the first 9 months of the year, NORDEN has had 38% more tanker ship days than in the same period in 2004. With regard to the product tanker market, the expectations are still favourable for the remainder of 2005 due to the high freight rates caused by the hurricanes Katrina and Rita combined with seasonal demand.

All in all for the entire year of 2005, NORDEN anticipates a profit after tax of USD 320 million (approximately DKK 2 billion). NORDEN's annual report for 2005 will be published on 29 March 2006.



### External Inspections

The safety of the vessels is regularly checked through a number of external inspections:

*Port State Controls* are random checks performed by the authorities. They are carried out in order to confirm that the vessel is safe for navigation in the area of the authority in question.

*Vetting Inspections* are more commercially oriented inspections of the vessel's technical condition, the aptitude of the crew, and the validity of the certificate. They are performed by the customers and only on tankers.

A third type of inspection is the *Flag State Control*. It is an obligatory and comprehensive inspection of the vessel, performed by the authorities of the country that "issues the certificate". This type of inspection is performed three times in five years: Upon issue of the certificate, after three years, and upon renewal of the certificate after five years.

### Internal Audits

As a supplement to the external inspections, NORDEN performs its own regular *internal audits* of the vessels. NORDEN's inspectors review the vessel's condition, procedures, and actions from end to end and base their conclusions on their own observations as well as interviews with the vessel management, junior officers, and other members of the crew. NORDEN audits each vessel minimum once a year – and plans more frequent audits for 2006. Next year, NORDEN will have three inspectors performing the inspections.

### Quality Culture

In connection with recruitment, promotions, internal audits, and officers' seminars, emphasis is put on NORDEN's expectations and culture concerning safety, environment, and service. Simultaneously, the individual officer's record is reviewed with regard to requirements compliance, standards, and

culture. This is a way to ensure an active quality culture in the organisation.

### The Vessel KPIs

In the day-to-day operation of the vessels, the focus is on five quality parameters, the so-called KPIs (Key Performance Indicators). They are:

- Lost time injuries – working days lost due to accidents and incidents
- Number and nature of non-conformities in connection with Port State Controls
- Number and nature of non-conformities in connection with Vetting Inspections
- Own audits (poor operation, lack of knowledge with regard to own procedures, etc.)
- The financial development of the vessel's operation compared to budget

KPIs are used to evaluate our own vessels to ensure that the policies and standards of NORDEN are met. The managers in the Technical Department meet once a week to discuss events on the vessels and the measures that should be taken based on the KPIs and reports from the vessels.

### NORDEN Officers' Seminar

At the NORDEN Officers' seminar in October this year, attended by 22 senior officers, one theme was particularly emphasised, i.e. - how the quality with regard to the operation of the vessels can be further improved through standards, procedures, and attitudes - in terms of safety, environment, and finances.

Among other things, the four types of vessel inspections were reviewed and the themes, environmental regulation of the shipping trade as well as new rules concerning safety on board, were introduced. It was for instance decided to lay down firm procedures as to how the vessels must handle and prepare for Port State Controls and improve the quality of documentation in order to comply with requirements and rules, e.g. through increasing photo documentation of the conditions on board. A number of other activities have been incorporated into the plans for 2006.

Status:

# Changes in NORDEN's Fleet

## DRY CARGO

### Purchase of Vessels

NORDEN has acquired a vessel by declaring a purchase option: M.v. NORDFLEX (built 2002; 52,344 dwt of 12.022 m; 189.99 m LOA; 32.26 m beam) was delivered to NORDEN on 24 November. The vessel has been employed on long-term charter by NORDEN since 2002.

NORDEN has declared purchase options on further two vessels: M.v. NORD BULKER (built 2003; 52,994 dwt of 12.163 m; 188.5 m LOA; 32.26 m beam) is expected to be delivered by mid-December and m.v. NORDTRAMP (built 2001; 171,000 dwt of 17.62 m; 289.9 m LOA; 45.0 m beam) is expected to be delivered at the beginning of 2006.

Furthermore, NORDEN has contracted a Handy-max newbuilding (53,000 dwt of 12.3 m; 190 m LOA; 32.26 m beam) at Chengxi Shipyard for delivery in the fourth quarter of 2006. She is a sister vessel of two existing orders for delivery in 2008.

### Sale of Vessels

M.v. NORDBRIGHT (built 2001; 52,827 dwt of 12.02 m; 190.0 m LOA; 32.26 m beam) and m.v. NORDSUND (built 2001; 50,296 dwt of 11.9 m; 189.8 m LOA; 32.3 m beam) have been delivered to the new owner in September and October.

M.v. NORDHOLM (built 2000; 45,526 dwt of 11.6 m; 186 m LOA; 30.4 m beam) has been delivered to the new owner on 25 October.

M.v. NORD MONACO (built 2002; 50,296 dwt of 11.9 m; 198.8 m LOA; 32.3 m beam) has been sold. NORDEN took delivery of the vessel by the end of September after the declaration of the purchase option and, immediately after, redelivered her to the new owner.

NORDEN has entered into an agreement regarding the sale of m.v. NORDSTJERNEN (built 2001; 53,533 dwt of 12.3 m; 189.9 m LOA; 32.3 m beam) for expected delivery at the beginning of 2006.

### Fleet Status

At the beginning of December 2005, NORDEN's fleet consists of the following vessels:

	Dry Cargo	Tanker	Total
<b>Active fleet</b>			
- Owned fleet	6	3	9
- Charter parties with purchase options	16	3	19
- Other charter parties	88	8	96
Total number of vessels	110	14	124
<b>For delivery</b>			
- To owned fleet	4	6	10
- Charter parties with purchase options	31	6	37
- Other charter parties	-	2	2
Total number for delivery	35	14	49

## TANKER

### Purchase of Vessels

NORDEN has contracted two Handysize newbuildings (38,500 dwt of 11.6 m; 182.8 m LOA; 27 m beam) at GSI for delivery in September and December 2008, respectively. These are sister vessels of six vessels previously contracted at GSI. Of these, two were delivered in the second quarter of 2005 and immediately hereafter resold. The remaining four vessels are expected to be delivered in the period from the first quarter of 2006 to the second quarter of 2007.

### Sale of Vessels

M.t. NORD SEA (built 2003; 45,987 dwt of 12 m; 179.88 m LOA; 32.2 m beam) has been sold for delivery in 2008. The vessel has been employed on long-term charter by NORDEN since 2001 and has been chartered out to the new owner until the time of sale.

M.t. NORDPACIFIC (built 2003; 105,344 dwt of 12 m; 190 m LOA; 32.3 m beam) has been delivered to the new owner in October. The vessel has been part of NORDEN's fleet since 2001.

# Always Three Moves Ahead

**As chartering manager, you need to have a good knowledge of cargoes, customers, markets, and political conditions which could influence the demand for transportation of certain goods. And you need to be able to think long-term**

Mikkel B. Larsen has been employed by NORDEN for seven years. He started as an apprentice, was expatriated for nine months to Singapore in the Tanker Department, was repatriated in 2001, worked in the Dry Cargo Department for 1½ years and was then appointed Chartering Manager of the Handymax segment with responsibility for the Atlantic, i.e. the eastern Mediterranean, the Black Sea, the Baltic, West Africa, and South America.

## Chess Game

“My primary task is to ensure that our vessels are continuously provided with cargoes at the optimal freight rate wherever it fits into the itineraries of the vessels and the cargo schedules. For example, we have quite a few cargo contracts to West Africa with cement. Our challenge is then to fix the vessel out again with for instance bauxite for aluminium production in the eastern Mediterranean. After that, the vessel may carry, for instance, steel to the Middle East and iron ore to China, before she again returns to West Africa carrying cement. In many ways, it is a large-scale game of patience – or a chess game where you need to think many moves ahead”, says Mikkel B. Larsen.

## Strategy for the Vessel

“Closing deals – especially for single-cargoes – is done by *placing the vessel in the market*. We have an established group of brokers that we make use of when we have an open vessel. They list that we have an open vessel, where, and for which period. That way, the word is being spread to their contacts, consisting of agents and companies requesting transportation. Simultaneously, we inform our overseas offices that the vessel is available and that our priority is this or that type of cargo for this or that destination at such and such a price. Finally, we check which companies seek vessels for their cargoes through certain brokers”, he says.

Mostly, we end up with offers for a number of dif-

ferent cargoes. The offers vary with regard to destination, cargo, and ship days. We then choose the cargo, matching our strategy for the vessel the best: What do we prefer to carry? Where do we wish to go? Where do we *need* to be – and when? And at what price do we aim? We also include our assessments of where it, geographically, is attractive to be and when – based on an assumption of demand for transportation and charter rates somewhat into the future,” says Mikkel B. Larsen.

## Close Cooperation

“All through the process, we have a close cooperation with our overseas offices. They know the local customers and can communicate with them at local conditions and local time, and they often close the deal. When the freight has been agreed, it is entered into our systems, and our colleagues in Operations take over the further handling up until delivery of the cargo at the destination.

We also share “Best Practice” across the organisation, for example if we know that some customers consider moving their freights from one category of vessels to another to gain flexibility or price advantages due to differences in the charter rates. It is all very dynamic and subject to constant changes. Nobody knows the day until sunset. It often implies long working days but you are being used in a very good way – you need to have an opinion of the market and the market development,” says Mikkel B. Larsen.



MIKKEL B. LARSEN: “THE FACTOR MAKING EVERYTHING SO INTERESTING IS THAT YOU NEVER QUITE KNOW WHAT THE DAY WILL BRING”

## Typical Trade Flows in the Dry Cargo Segment

- Manganese ore for the steel production from West Africa to China or the Black Sea
- Sugar from South America to India or the Persian Gulf
- Grain from South America to Japan, China, and Europe
- Steel from Brazil to the Far East or the USA
- Gypsum and clinker for the cement industry from Spain and France to the USA
- Fertiliser and steel from the eastern Mediterranean to the Persian Gulf, India, or China
- Scrap from the countries along the Baltic coast line to Turkey and the Far East, where it is melted down

# Christmas and New Year in NORD

– across Countries and Cultures

## Danish Christmas and New Year

In December many Danes have *julefrokost* (Danish Christmas lunch) with black bread, herring, beer and *schnapps*, roast pork, roast duck and pickled red cabbage. Christmas is celebrated on 24 December – typically together with the family. Many people eat roast duck or roast pork. Most people dance around the Christmas tree, decorated with candlelights with gifts lying under the tree. New Year is celebrated together with friends or family. The preferred dish is New Year's cod or a roast. At midnight : Champagne, marzipan ring cake – and fireworks. Many people enter the New Year jumping from a chair.

## American Christmas and New Year

24 December is the big travelling day all over the USA. There are no real plans for the day, and the family members join when they arrive. The Christmas tree is decorated, the gifts are in place under the tree, and the Christmas stockings have been hung up beside the fireplace, so that Santa Claus can put his gifts into the stockings during the night. The gifts are opened on 25 December in the morning when the family has gathered. The rest of day is spent playing with the gifts, watching TV, and playing games. Per tradition, the dinner menu is turkey but many choose differently. For New Year's Eve there are no specific rules or traditions.

## Chinese New Year

In China, Christmas is not celebrated as it is in Europe or the USA, even though the young people have adopted the tradition, and the shops and streets to an increasing degree are decorated at Christmas time. The date of the Chinese New Year changes from one year to the next. The first day of 2005 was 9 February. The first day of 2006 will be 29 January, and the Chinese New Year will be celebrated from 28 January, lasting for a week. Traditionally all Chinese visit their parents for New Year. The elder generation gives *Ya Sui Qian* – “New Year's money” to their children and grand children, hoping that the money will multiply in the year to come. Each year is given its own name from the zodiac. Twelve different animal names are used. This year is the “Year of the Rooster”, and next year will be the “Year of the Dog”.

**Annapolis, USA.** *Martin Holm*, assistant chartering manager: Will celebrate “American Christmas” together with his American wife, Kristina, and her family. In the afternoon on 25 December the men will watch a TV football match. The family will eat together during one of the intervals – steaks and fixings – brought along by the guests. New Year's Eve has not yet been planned.

**Rio de Janeiro, Brazil.** *Maria Helena Veiga Guimares Ferreira*, administrative assistant: Celebrates – as most Brazilians – Christmas on 24 December. Christmas Eve is spent together with the family, who will have dinner and exchange gifts. The menu includes dried fruits, nuts, lentils, turkey, and two typical Christmas courses: *Panetone* – cake with candied fruit – and *rabanada* – slices of bread, dipped in milk and egg, fried and sprinkled with sugar and cinnamon. While Christmas has its traditions, New Year's Eve is more a matter of following your own taste. Most people – including Maria – like to watch the impressive midnight fireworks at the Copacabana Beach, which is often attended by more than two million people.

**Rio de Janeiro, Brazil.** *Anders Hansen*, general manager: Will celebrate Christmas at the Buzios Beach, 175 kilometres from Rio de Janeiro. It is Brazilian summer and 35-40 degrees Celsius, so this year the Christmas Holiday includes sunbathing at the beach. Anders will celebrate *Danish/Brazilian* Christmas with his Brazilian fiancée, Yana – with a Christmas tree and a couple of Danish and Brazilian Christmas dishes. New Year's Eve will be spent with 20-30 Brazilian and Danish friends and a trip down to the Copacabana Beach to watch the fireworks.

**M.t. NORD ATLANTIC, The North Sea.** *Egon Christensen*, captain: Will either be in the North Sea or a North European port for Christmas and New Year. If the vessel is calling at a port, everybody on board will be busy loading or discharging oil, so the party will have to wait until the ship is at sea again. Christmas is an important time on board. Everybody not on duty, meets in the Officers' lounge where Egon delivers Christmas greetings from families and friends. The dinner includes roast pork, roast duck or similar. Many on board phone their families and friends all over the world during the Christmas days. On New Year's Eve the menu will be roast beef or steaks, but otherwise the evening will be relatively quiet since fireworks are forbidden for security reasons.

**Mumbai, India.** *Shivangi Shah*, chartering manager: In India, only Christians and Roman Catholics celebrate Christmas but, traditionally, many people will celebrate too when festivals of other religions are celebrated. Shivangi will be having dinner with good friends on 24 December. As a Jainism Hindu, she celebrated New Year on 3 November this year. It was celebrated out of town in a *country house* with fireworks and good vegetarian food with lots of sweets and salted snacks.





**Mumbai, India.** *Michael Bonderup*, general manager: Celebrates “Danish Christmas” with his Danish wife. The dinner will be turkey and gifts, and they will attend a Danish *julefrokost* (Christmas lunch) together with other Danes in Mumbai on 25 December. New Year’s Eve will be celebrated with other Danes with a barbecue on the terrace – the temperature will be around 35 degrees Celsius. There will not be a lot of fireworks on 31 December, since the different religions are celebrating the New Year at different dates but yet there will be a lot of maroons and parties in the streets anyway.

**Singapore.** *Mylene Lam Lai Meng*, secretary: Celebrates Christmas on 24 December with her family. The menu will be barbecue with turkey and ham followed by cakes for dessert, and everybody exchanges gifts. Mylene will celebrate the *Chinese New Year* on 28 January and the following days, where she will visit her parents and grandparents.

**Singapore.** *Peter Borup*, managing director: Celebrates “Danish Christmas” in Singapore. Around New Year, Peter will be in Korea, where they follow the *Chinese traditions*, so Peter does not expect a lot of festive on 31 December. He does not yet have any plans for the Chinese New Year.

**M.t. NORD PRINCESS, GSI Shipyard, Guangzhou, China.** *Ralf Beck*, captain. In the beginning of January 2006, Ralf Beck will take over m.t. NORD PRINCESS and will carry out sea trials with the vessel in the days before Christmas in company with the employees at the GSI Shipyard in Guangzhou. It will be a Christmas with a lot of work and without the usual Danish traditions such as gifts and a Christmas tree. Ralf expects to have Duck a la Peking for dinner on Christmas Eve. He has not yet planned his New Year's Eve.

**GSI Shipyard, Guangzhou, China.** *Michael Brodersen*, engineer: Mid-November, Michael and 80 other Danes joined a traditional Danish *julefrokost* (Christmas lunch) held by the Danish consulate in Guangzhou. In the days before Christmas, he will be busy with sea trials of NORD PRINCESS, and will – as Ralf Beck – be busy at Christmas time. On Christmas Eve he will eat roast pork and exchange gifts with his friends. New Year's Eve is celebrated in the company of good friends. He does not yet have plans for the Chinese New Year.

**Shanghai, China.** *Laser Huang*, chartering manager: Celebrates *Chinese New Year* on 28 January and the following days. Laser and his wife will visit his parents in his native town Rugao in the Jiangsu Province, 400 km northwest of Shanghai. On 28 January there will be a lot of fireworks, marking the New Year on 29 January. A typical New Year's meal in the Shanghai area – among other things – includes *Tang Yuan* – balls of rice with sugar.

**29 March 2006:**  
*Announcement of the annual report 2005*

## Employee News

### ON LAND

#### NEW EMPLOYEES

6 October 2005:  
*Peter Sundell*, 26, employed as facility manager as part of the In-house Service Team

1 December 2005:  
*Bente Hashøj Hansen*, 46, employed as controller in the Dry Cargo Department

1 December 2005:  
*Kenneth Stolten*, 20, employed as all-round service employee as part of the In-house Service Team

### AT SEA

#### NEW EMPLOYEES

22 September 2005:  
*Bjarne Gaj Rosenkvist Jensen*, 31, employed as chief officer on board m.t. NORDASIA

25 October 2005:  
*Morten Helers*, 49, employed as captain on board m.v. NORDKAP

1 November 2005:  
*Gisli Gudjonsson*, 54, employed as captain on board m.v. NORD PHOENIX

22 November 2005:  
*Kim Lønnerup Mikkelsen*, 33, employed as chief officer on board m.t. NORDASIA

# Coal in Vast Quantities



GRY ROSTRUP AND  
CAPTAIN YANG GI GIM

M.v. NORD POWER's 176,000 dwt and 289 m makes her NORDEN's second-largest vessel, when comparing weight, and the third-longest, only surpassed by the vessels NORD KRAFT and NORDTRAMP by 90 cm. The total deck space exceeds 10,000 m<sup>2</sup>, corresponding to 2 large football fields or 15 average lots for detached standard houses in Denmark

"The incredible dimensions are the first thing you notice, both height- and lengthwise. You really need to make sure you bring everything you need when you go from one place to another - you don't just pop back and fetch something! And you always need to bring along your radio or telephone", trainee in the Dry Cargo Department Gry Rostrup says.

Together with 27 colleagues, she was visiting NORD POWER in order to experience the vessel's furnishing, facilities, and operation procedures while discharging coal at the power plant, Asnæsværket, in Kalundborg. NORD POWER's godmother, Marianne Rasmussen, was also participating. Captain Yang Gi Gim gave a tour of the deck, the bridge, and the engine room, followed by a tour of the power plant. In the days before the visit, NORD POWER had been calling at Stignæs in order to discharge coal. While navigating through the Great Belt, film shots for the NORDEN film were made on board and from a helicopter.



## 20, 30 and 60 Years

*Annemette Tranberg*, accounting manager in the Accounting Department, celebrated her 20th Anniversary in NORDEN on 1 December 2005. When Annemette started as accounting assistant in 1985, bookkeeping implied manual ledger cards and a bookkeeping machine. During the 20 years she has been with NORDEN, Annemette has been a driving force of the Company's transition to the computer age and the development of the accounting function.

*Preben Høeg*, purchasing manager in the Technical Department, celebrated his 30th Anniversary in NORDEN on 1 December 2005. When Preben started as responsible for purchasing with regard to NORDEN's vessels in 1975, NORDEN only had nine other employees and the Company only operated three vessels. For quite some time and in parallel

with the purchasing tasks, Preben was in charge of manning the vessels and of the property, 49 - Amaliegade, but the fleet, rapidly expanding in the latter years, has made it necessary to release him from these tasks.

*Anders Paludan-Müller*, chartering manager in the Dry Cargo Department, became sixty years old on 8 October 2005. On the previous day, NORDEN hosted a big lunch for Anders in the boardroom, attended by 25 business connections, friends, and family members. Anders was employed by NORDEN on 1 May 2004 after 41 years with A.P. Moller, where he has been working for many departments, e.g. Maersk Brokers for 29 years. Today, Anders is in charge of the Atlantic in the Panamax division.

## NORDEN

Dampskibsselskabet "NORDEN" A/S  
49, Amaliegade  
DK 1256 Copenhagen K  
Denmark

**Management**  
Telephone: +45 3315 0451  
Fax: +45 3315 6199  
direktion@ds-norden.com

**Dry Cargo Department**  
Telephone: +45 3315 0451  
Fax: +45 3342 0530  
drycargo@ds-norden.com

**Technical Department**  
Telephone: +45 3315 0451  
Fax: +45 3393 3733  
technical@ds-norden.com

Telephone: +45 33 15 04 51  
Fax: +45 33 15 61 99  
www.ds-norden.com

admin@ds-norden.com  
it@ds-norden.com  
account@ds-norden.com

**Tanker Department**  
Telephone: +45 3315 0451  
Fax: +45 3393 1599  
tankers@ds-norden.com

**Norient Product Pool A/S**  
Telephone: +45 3271 2300  
Fax: +45 3271 2349  
all@norientpool.com