

NORDEN

news

WINTER 2007/2008



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Focus on efficient energy utilization, improved combustion, research and development.

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NORDEN currently operates 18 vessels in the segment and has 22 vessels for future delivery.

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Naming and delivery ceremony of Hull No. SZ262, Handymax 53,400 dwt, Imabari Shipyard, Japan

8 January

NORDEN capital markets day for the press, analysts and institutional investors, Danish Shipowners' Association, Copenhagen

21 January

Naming ceremony and launching of Hull No. S817, Handysize 31,600 dwt, Hakodate Shipyard, Japan

22 January

Naming ceremony and launching of Hull No. 1366, Panamax 82,300 dwt, Tsuneshi Shipyard, Japan

10 March

NORDEN's annual report for 2007 will be published

12 March

Naming and delivery ceremony of Hull No. CX4217, Handymax 54,000 dwt, Chengxi Shipyard, China

New challenges ahead

We have left 2007 behind, which turned out to be a great as well as exciting year for NORDEN, and now we look ahead – towards new challenges. Let me just give you three examples:

Like everyone else, NORDEN must find its place in a world in which companies are relied upon to act as good corporate citizens taking responsibility for safety at sea, work environment, the environment in general, employees' circumstances and opportunities as well as other topics which fall within the complex known as Corporate Social Responsibility (CSR).

For a number of years, we have worked with these topics in NORDEN – mostly based on common sense than on an actual structured CSR policy. Now we are working on formulating such a policy, and we are having the necessary but useful discussions on what we want and what it is allowed to cost. We do not aspire to save the world at NORDEN, and we do not claim to know everything. We approach the matter most humbly, and as part of the initial steps we have recently decided to invest in a programme to reduce CO₂ and other emissions from our vessels even further. Focus naturally remains on our owned vessels. Learn more about the actions we have already taken and where we will focus our future efforts on pages 4-5.

The expansion of our fleet is in itself a challenge as NORDEN expects to expand both the active fleet in general as well as the number of owned vessels specifically in the years to come. It is not unrealistic that we will own about 30 vessels in a few years – which is more than double that which we own today. An expansion of the owned fleet will increase our need for qualified employees at sea and on land. We will have to attract a lot of new, qualified officers and mariners in a market in which other shipping companies are expanding their fleet as well and where demand for qualified people therefore is heavily on the rise. Consequently, we have to increase our HR efforts both at home and abroad in terms of quality which is something you can learn more about on pages 6-7.

In a third area, NORDEN is also facing an exciting challenge. Last year, the NORDEN share was the eighth most traded share on OMX Nordic Exchange Copenhagen, and it was therefore admitted to the benchmark OMXC20 index of the 20 most liquid Danish shares at the end of December 2007. This will increase the focus on NORDEN even further – something which was already hinted at in early January when we held a well-attended capital markets day for international and Danish analysts and investors.

We must be able to handle the increased interest from a growing number of stakeholders, not least the customers. We are therefore working with *business intelligence processes* which you can learn more about in the article on pages 10-11. Here we explain how we continuously improve the processes so that they may assist us in doing *intelligent business*.

The three areas – CSR, recruitment and talent development as well as the close dialogue with a growing number of stakeholders – are not as such new challenges for NORDEN. The new aspect of it is that these challenges have begun to fill more and will get to fill even more. I also think that this will be evident when we, in the course of 2008, present key points in the Company's new strategy plan towards 2010 and the following years. The strategy planning has just come to an end, and I don't give away too much by saying that we have some busy but exciting years ahead of us.

CARSTEN MORTENSEN



Handysize on the rise

In the summer of 2006, NORDEN decided to expand the activities to include the smallest dry cargo segment, Handysize, which corresponds to bulkcarriers between 10 and 40,000 dwt. This decision proved to be very rewarding. In the autumn of 2006, NORDEN controlled a total of 10 Handysize vessels. The number has since then reached 18 vessels in the market in the size of 24-35,000 dwt, and in addition 22 Handysize vessels are due for delivery in 2008 to 2011. "The success may be explained by the fact that there is great general demand for transports within this category and at the same time nearly no net tonnage has been supplied within this segment in recent years. The Handysize vessels are very suitable for transport of valuable cargoes in small quantities where the cargo receiver does not wish to tie up too much capital in large stocks. So far we have experienced great demand for cargoes of fertilizer from Europe to

South America, India and the Far East as well as alumina cargoes from the US Gulf to Europe and from Australia to China," says general manager Christian Ingerslev from the Handysize department.

The chartering of the Handysize fleet is chiefly handled from NORDEN's headquarters in Copenhagen and from its Singapore office. Today three charterers are assigned to the segment, and they will be joined by two additional colleagues during the first half of 2008.

In an otherwise international world in which most activities take place far from NORDEN's headquarters in Copenhagen, the Handysize vessels have put Denmark on NORDEN's dry cargo map. Below you can see the Handysize vessel m.v. NORD RIO at Aalborg Portland in Denmark unloading petcoke which was loaded at Lake Charles in the US Gulf.



NORDEN and the environment

Today, NORDEN operates one of the world's most modern fleets of dry cargo bulkers and oil tankers. With this fleet, NORDEN is already off to a great start with respect to energy efficiency and low emissions, but now NORDEN has also decided to invest in a number of activities with the purpose of lowering emissions from the Company's owned fleet even more. The programme consists of a series of initiatives to save energy and improve combustion efficiency in combination with new maintenance and monitoring procedures and funding of external research and development activities in both areas.

"Even though ocean-going transport is the most efficient means of transportation in environmental terms – with significantly lower CO₂ impact and lower scores in other emission areas per transported ton of cargo than transportation by train or

lorry – it is of great importance that the shipping industry adopts initiatives to reduce CO₂ emissions and other emissions to the lowest possible level. We must all contribute to a better environment, and at NORDEN we see it as our obligation to do so," states Lars Lundegaard, senior vice president and head of the Technical Department.

"In recent years, NORDEN has implemented a series of initiatives aimed at reducing emissions. Now we are "raising the bar" with the introduction of a range of new activities supported by funding of various external research activities. But we don't claim to have all the answers. This is a work in progress, and we expect our efforts to evolve in line with NORDEN's general commitment to the CSR area (Corporate Social Responsibility)," says Lars Lundegaard.

NORDEN has already sponsored research, e.g. in developing more efficient ship propellers under the EU-cosponsored CAPRICCIO project, which resulted in the design of a highly advanced propeller type enabling fuel savings of more than 2%.

NORDEN's future sponsoring will target research and development in both propulsion resistance and combustion optimisation. These are the two main areas that affect the efficiency of a ship's use of energy and thus its emissions," he explains.

Emissions from NORDEN's owned fleet today

The predominant share of NORDEN's tonnage today is Handymax bulkcarriers and Handysize tankers. At service speeds, these vessels produce four different categories of emissions (in grams per tonne-kilometre):

CO ₂	:3
NO _x	:0.08
SO _x	:0.05
Particulate Matter	:0.004

Source: Lloyds Marine Exhaust Emissions Programme (2006)

CO₂ emissions from different kinds of transport

(Index: Sea transport = 100)

Ship: 100
Train: 140
Lorry: 800

Source: Intertanko (2007).

Focus on propulsion resistance and combustion optimisation

"Factors affecting *propulsion resistance* are hull shape, speed, draft, smoothness of the underwater hull and propeller as well as a series of external conditions such as wind, sea state, depth of sea, etc. Some measures to lower propulsion resistance are performance monitoring, advanced anti-fouling coatings, full blasting of the underwater hull and frequent propeller polishing," says Lars Lundegaard.

"Factors that contribute to *combustion optimisation* are correct injection timing, sufficient compression pressure, low scavenge air temperatures and an ideal spray from the fuel nozzles. Some ways to optimise combustion are performance management, using slide valves, and frequent overhauls of the scavenge air cooler, fuel oil pumps and injectors," he adds.



NORDEN has already started implementing these measures to reduce emissions (ranked in order of effectiveness in CO₂ reduction on owned vessels)

1. Slide valves. Improve combustion efficiency and reduce both CO₂ and NO_x. B&W claims the effect hereof is close to 2%. Implemented on all tankers and one bulker. Will be installed in more bulkers as they dock.
2. CASPER. A monitoring system that allows early intervention against non-optimal propulsion resistance. Its effect will vary, but the system can improve combustion by up to 1%. Trial during 2007 on three vessels and currently in the process of being implemented on all vessels.
3. FLAME. Monitoring system that allows early intervention against non-optimal combustion. Its effect will vary, but the system can improve combustion by up to 1%. Implemented 1 December 2007 on all vessels.
4. Non-oscillating P/V valves. Reduce hydrocarbon (greenhouse gas) emissions from tank cargoes to one-tenth of the emissions from standard P/V valves. Implemented on all tankers.
5. ExxonMobil Scrapedown (lube oil) analysis system. Reduces particulate matter emissions by about 50%. Implemented on all vessels.
6. Alpha Lubrication lubrication system. Reduces particulate matter emissions by about 50%. Trial on one vessel in 2007. Will gradually be implemented on all vessels as they dock.
7. Torque measuring system. Allows accurate combustion optimisation and facilitates both CASPER and FLAME reporting. Trial on one vessel during 2007. Will gradually be implemented on all vessels as they dock.
8. Garbage monitoring and reporting system. Allows identification and implementation of best practices. Reduces waste generation by about 10%. Implemented on all vessels.

“NORDEN has decided to act in *all* these areas – as a matter of policy. As the technologies mature, we will evaluate when and where more can be done. There will certainly be a lot of costs related to these initiatives, but also economical benefits such as higher residual value for our ships, lube oil savings, less off-hire, and fuel savings. Last but not least, environment and safety have always been an integral part of NORDEN’s way of doing business, and these new initiatives will take us a big step further. Our responsibility as a corporate citizen is one we take very seriously,” says Lars Lundegaard.

NORDEN has decided to implement these new measures to reduce emissions even further

In addition to the above, NORDEN has decided to take the following actions going forward:

1. Full blasting of underwater hulls every five years.
2. Propeller polishing every six months.
3. Increased frequency of overhauls of:
 - a. Turbo charger
 - b. Scavenger air cooler
 - c. Fuel oil pumps and injectors

Full ahead in the manning area

In the next three years, NORDEN is planning to considerably expand the Company's fleet of owned vessels. The fleet is expected to grow from the current 13 to some 30 vessels, and this will significantly increase NORDEN's need for qualified employees at sea.

Big challenge

"This will be a big challenge, as we are already experiencing the early signs of a global shortage of qualified ships' officers due, among other things, to the rapid expansion of the world's merchant fleet," explains Søren Dag Sturm, who started as senior crew manager in NORDEN on 1 October 2007 with responsibility for the company's world-wide crewing and manning activities.

"Approximately two thirds of NORDEN's ships' officers and crew today come from the Philippines, and the demand for additional employees will grow markedly over the next few years. There simply aren't enough Danish officers to cover the growing demand despite the great efforts made to recruit young ships' officers in recent years. This will further enhance the demand for foreign employees," he says.

Well under way

In order to meet this challenge, NORDEN has scaled up its manning efforts in Denmark as well as in the Philippines and launched a number of initiatives set to strengthen recruiting, retention and talent development.

"NORDEN has the advantage of an excellent reputation among both Danish and Philippine seamen. This will not solve "the manning crunch" for us, but it will give us a head start. To accomplish our manning goals for the future, we need to get even better at recruiting.

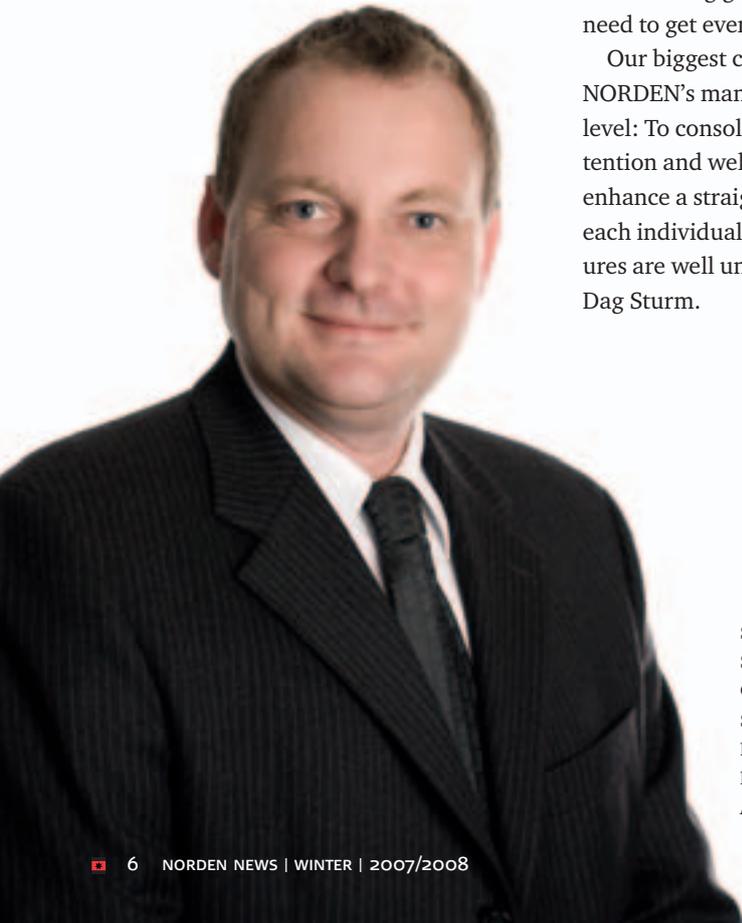
Our biggest challenge will be to take NORDEN's manning set-up to the next level: To consolidate our recruiting, retention and welfare programmes; and to enhance a straightforward dialogue with each individual seafarer. And these measures are well under way," explains Søren Dag Sturm.

Focus on welfare and career

"Life at sea" differs in many respects from working onshore: You have long and changing working hours and you are away from your family and friends. We need to address these issues and ask ourselves *and* our employees what can be done to make everyday life onboard easier for them and everyday life onshore safer for their families, something that particularly applies to our Philippine employees. In these areas, we can learn from traditional onshore recruiting and career programmes. Also, we need to get better at telling both young and experienced seamen about career opportunities at sea with NORDEN," says Søren Dag Sturm.

NORDEN recently started a new ships' officers' steering committee to suggest measures to improve crew welfare, etc. At the moment, the Company is working intensely on finding solutions to ensure stable broadband connections, improving e-mail, telephone and internet connections for NORDEN's crews. Meanwhile, NORDEN has also strengthened its recruitment activities in the Philippines (see page 7). So the signal is clear:

"NORDEN is going 'full ahead' on this," Søren explains.



SØREN DAG STURM STARTED HIS MARITIME CAREER IN 1985 AS AN ABLE SEAMAN. HE HAS SINCE WORKED FOR A NUMBER OF DANISH SHIPPING COMPANIES, ENDING UP AS A MASTER ON VARIOUS DANISH PASSENGER SHIPS AND AS A NAUTICAL COORDINATOR. HE HAS SUPPLEMENTED HIS PRACTICAL EXPERIENCE WITH AN MSC DEGREE IN SHIPPING TRADE AND FINANCE FROM CITY UNIVERSITY IN LONDON. HE HAS ALSO WORKED AS A MARITIME JOURNALIST.



NORDEN strengthens recruiting and talent development in the Philippines

In the past year, NORDEN has strengthened its recruiting and manning activities in the Philippines. These are today handled by a team of four – that is; crew manager Joseph C. Acibar, who was hired in May 2007 and three local employees, who are employed with the local Philippine manning office TSM, but are based in separate, newly refurbished NORDEN offices in central Manila. The team's main tasks are to attract and retain qualified officers and specialists for NORDEN's fleet and to handle the dialogue with NORDEN's crewing department, local authorities and the seafarers.

Personal relationships are important

“Due to the high international demand for qualified ships' officers, specialists and crew, it is more important than ever for us to *brand* NORDEN and to make the advantages of working for the Company very clear. That is why I believe it is important for us to build *personal relationships* with all our seafarers and their families. At the same time we will ensure a high degree of welfare on-board in the form of good leisure activities and easy access to communication with family and friends. At the same time we will provide a safety net for the seafarers and their families in the form of healthcare, pension schemes etc.; and we are doing quite well in both areas. Other focus areas for us will be to have a close and continuing dialogue with each and every seafarer on career aspirations and opportunities to build good, strong relations to the maritime community, organisations and maritime educa-

tional centres in the Philippines through talent development programmes and other initiatives,” Joseph C. Acibar states.

Extensive talent development programme

NORDEN recently launched an extensive talent development programme for maritime students at the Holy Cross of Davao College (HCDC) in Mindanao in the southern Philippines. The programme consists of two parts: Scholarships for four top students in their third year of studying maritime navigation and 20 scholarships for four first-year students starting in March 2008. In addition to receiving full scholarships, the four third-year students will also receive intensive tutoring in English. Also, they will be offered employment contracts as cadets in the NORDEN fleet for 12 months after passing their third-year examinations. The 20 first-year students will also receive full scholarships and will receive special training in English. Depending on their individual merits, NORDEN will evaluate the options for further funding or development programmes.

The first four NORDEN scholarship winners at HCDC are: Geoffrey V. Yutig, 18, Onar DG A. Valle, 19, Mark Anthony E. Dahab, 19 and Neil Raymond B. Duguran, 20.

The Holy Cross of Davao College has more than 8,000 students enrolled in various courses and studies. The number of maritime programme students totalled 533 in November 2007. College of maritime education dean John Cyril Martinez is also a captain in the NORDEN fleet.



INTRO FILM AND COMPETITION
AT WWW.SHIPPINGTRAINEE.DK.

On the hunt for shipping trainees class 2008

NORDEN is truly committed to the process of recruiting the new class of shipping trainees who will begin in August 2008. During the autumn 2007, NORDEN placed eye-catching advertisements in the national free newspapers and in the dailies' trainee supplements as well as banner advertisements on career websites aimed at young people. From mid-January 2008 and until the application deadline on 15 March 2008, the efforts will be strengthened even further:

"This year we have decided to create a special shipping trainee universe at the address www.shippingtrainee.dk, to which we have bought the rights.

Here you can watch our shipping trainee film from 2007 about the daily life as a trainee and NORDEN as a workplace portrayed very directly and at eye-level with young people. In addition to this, another film has been made, in which Michael Steinfeldt, Michael Guldmann Petersen and I, in the capacity of trainee supervisors, inform the young people of our requirements and expectations and of the great career opportunities they will have within NORDEN – and in the rest of the world," says HR manager Vibeke Schnei-

dermann. "The film will not sugar coat reality as it is not our intention to hide the fact that it is two very demanding years that lie ahead of the new shipping trainees at NORDEN," she continues.

NORDEN's shipping trainee universe is also displaying a short introductory film in which Søren Tolbøll Nielsen, current second year trainee at NORDEN, welcomes you and tells more about what you can find on NORDEN's trainee website. Last but not least, an exciting competition will run on the website from mid-January until mid-March where the winner is awarded a trip to NORDEN's Shanghai office where he or she gets to try how life is as a shipping trainee for three days.

"With all these things in place, you

will, from the website, be able to attain a thorough insight into what it entails to be a shipping trainee at NORDEN and thus be better equipped to decide whether or not to send an application to us. It is therefore "just" a matter of getting as many young people to visit our trainee website as possible, which is to be achieved through direct mails, more advertisements, postcards, posters, etc." Vibeke Schneidermann explains.

It is not only at the headquarters in Copenhagen that NORDEN is looking for shipping trainees. Since 2006, NORDEN has employed 1-2 shipping trainees every year at the office in Shanghai, and from summer 2008, NORDEN will also be employing trainees at the offices in Singapore and Annapolis.



POST CARDS WHICH ARE DISTRIBUTED TO YOUNG PEOPLE AT EDUCATIONAL ESTABLISHMENTS.

A fine 2007-result within sight

NORDEN's operating profit (EBITDA) for the third quarter of 2007 was USD 137 million - an increase of 180% compared to the same period of 2006. The profit after tax for the third quarter was USD 196 million. This corresponds to a tenfold increase compared to the third quarter of 2006.

NORDEN's profit for the first three quarters of 2007 was USD 481 million, including profit from the sale of vessels of USD 136 million, against a profit of USD 107 million, including profit from the sale of vessels of USD 39 million, for the same period of 2006.

In total, NORDEN expects the annual profit for 2007 to be in the range of USD 670-700 million, including profit from the sale of vessels of USD 165 million. This is almost four times as much as in 2006 and nearly double that of the record-breaking year of 2005.

"Overall, 2007 developed very positively for NORDEN with an almost constant increase in the dry cargo rates throughout the year. A year which NORDEN went into with relatively low coverage. Therefore, we have had the opportunity to benefit from the rising rates through both short- and long-term time-charterers as well as fair activity on the spot market. Also within tankers, we have done reasonably well - although the third

quarter of 2007 offered slightly weaker freight rates in the tanker market. NORDEN's active fleet expanded from 191 to 213 vessels in the third quarter of 2007, and at the same time the number of vessels for delivery increased from 92 to 98 vessels in the period. Compared to the beginning of the year, it is an expansion of 39% in the active fleet and 46% in vessels for delivery, and factors such as the considerably larger activity in the dry cargo segment as well as the heavy expansion in the Panamax segment are naturally reflected in the figures," says Carsten Mortensen.

The Dry Cargo Department's operating profit for the third quarter of 2007 was USD 132 million, which is almost four times as much as in the same period of 2006. During the three first quarters of 2007, an operating profit of USD 294 million was obtained against USD 80 million in 2006.

The Tanker Department's operating profit for the third quarter of 2007 was USD 9 million against USD 14 million for the same period of 2006. The Department's profit for the three first quarters of 2007 was USD 46 million against USD 38 million in 2006. The drop in the third quarter of 2007 was due to a weaker spot market.

NORDEN's annual report 2007 will be presented on 10 March 2008.

Expert in maritime financing and strategy



Ivar Hansson Myklebust, 40, joined NORDEN on 1 September 2007 as the new CFO and member of management. His areas of responsibility in NORDEN are finance, risk management, insurance and IT.

Ivar Hansson Myklebust came from a position with Nordea Corporate Finance as Executive Director and Head of Corporate Finance Norway, where his responsibilities included Nordea's consulting activities in the maritime sector across the Nordic region. In this position, he advised a number of maritime enterprises on financing, strategy and transactions, including NORDEN.

Ivar Hansson Myklebust holds an MSc in Economics and Finance from the Norwegian School of Economics and Business Administration in Bergen. In the period 1994-2002, he worked for a number of Norwegian shipping, investment and finance companies as project manager, equity analyst and head of equity research. He was employed with Nordea from 2002 to 2007.

See the article on pages 10-11 about NORDEN's comprehensive work within business intelligence in Accounting, Finance and Corporate Control.

NORDEN is ready for OMXC20

In the second half of 2007, NORDEN was the eighth most traded share on OMX Nordic Exchange Copenhagen with a share turnover in excess of DKK 19 billion in 153,259 transactions. As a result of this considerable interest, the NORDEN share traded for the first time on 27 December 2007 as a component of the so-called OMXC20 index of Denmark's 20 most traded shares.

Communicating clearly

“Along with our good results in recent years, our entry into the OMXC20 may further boost interest in the NORDEN share and our performance. Not just financially, but in terms of *everything* we do. We should also expect increased awareness of NORDEN as a workplace, as well as for example NORDEN's environmental and emissions performance. Our performance should be good in these areas, and so should our documentation and communication. It should be at least as good as our financial performance,” says CFO Ivar Hansson Myklebust.

High ambitions

“In the financial area, a very direct effect of NORDEN's entry into the OMXC20 index will be a greater need for direct dialogue with investors and financial analysts throughout the world, who will make greater demands of our information on results, strategy and performance in areas such as safety, environment, risk management and social accountability”. But with our Accounting, Finance and Control departments, we are well equipped to supply detailed, individualised data on the business of NORDEN, internally as well as externally, as our own ambitions in this area have been high for years, a fact that is reflected in our winning of the Børsen's annual reports prize for the best annual report in 2006 among Danish companies not listed in the OMXC20 index,” explains Ivar Hansson Myklebust.



Intelligent business through extensive

Three closely interrelated departments

NORDEN's extensive work of registering, processing and communicating business data (business intelligence), is undertaken by a team of 17 employees in three closely interrelated areas: Accounting, Finance/Financial Management and Corporate Control.

Accounting: Is responsible for registration and communication of data and information on realised income and expenses for use by all levels of the organisation as well as a number of external stakeholders, including government authorities and the stock market. Data relates to realised transactions and is communicated

in great detail or more generally, depending on the recipient's requirements. A distinction is made between operational information, e.g. for individual charterers or operators (very detailed data), tactical information, e.g. for a head of section or a person responsible for a business segment (more general data) and strategic information, e.g. for NORDEN's Board of Directors, Management or heads of departments, for monthly reports, financial statements, etc. (aggregated data).

Finance/Financial Management: Is responsible for processing and analysing accounting data from the commercial departments and external sources. Data

is usually somewhat aggregated. The focus is on forecasts, budgets and budget follow-ups, tax planning, etc. The department also deals with financing and cash management, e.g. calculation of the amount of funds available for the department's risk capital, for dividend payments and for investments.

Corporate Control: Is responsible for processing and simulating accounting and financial data from the commercial departments and external sources on a highly aggregated level and focusing on future transactions and risks. The department works extensively with forecasts, models and scenarios and is among other things responsible for the calculation and

Three steps

“In summary, you might say that NORDEN becoming a OMXC20 company was the third step on the ladder in terms of recognition and attention from the community:

The first step was the recognition of NORDEN as a leading international maritime transporter of goods. In this respect, we have been internationally renowned for our merits within the industry for the past 20-30 years.

The second step was the recognition of NORDEN’s ability to generate financial results and shareholder value, which we particularly experienced in connection with the shipping company TORM’s sale of its major stake of 32.7% of NORDEN in March 2007. This sale immediately made the NORDEN share liquid, and significantly increased interest in NORDEN, particularly from foreign investors and finance houses, which led to a surge in trading as well as the price development of the share.

The third step was our entry into the OMXC20. This will further boost interest in NORDEN, mainly in the Nordic arena, and we can look forward to servicing even more – and

more diverse stakeholders in future. But we are ready for this,” assures Ivar Hansson Myklebust.

Proactive

“The three steps have gradually raised demands on the entire value chain in NORDEN. The challenge now is to ensure constantly adequate precision of data and information, without this becoming a bottleneck for the commercial and internal departments which are to supply the data and the internal and external stakeholders who are to receive data as quickly and accurately as possible. Meanwhile, we not only have to “hang on” in terms of our reporting on our day-to-day business and performance. We also have to be proactive, so that we are continually equipped to report and service the *business of tomorrow*, including quantifying the areas often referred to as “soft”, but which are now fully acknowledged key business figures – i.e. Corporate Social Responsibility accounts, green accounts and corporate citizen accounts,” says Ivar Hansson Myklebust.

business intelligence

description of NORDEN’s risk profile. For example, what risks are attached to various financial liabilities and prospective income undertaken by the Company – or individual departments, and how significant are they?

Must understand “the house”

“It is a common feature of these areas that we are service functions and have to supply information on a timely, reliable basis and of high quality. We must understand “the house” and its processes in order to supply financial information in a proactive manner. We have to be able to “read the entities” and see what their needs are, almost before they do so themselves,” explains Christian Dan-

mark, Vice President, Finance & Accounting.

Complex business

“Just over the last five years, NORDEN has undergone an amazing development, and there is every indication that the rate of development will continue. Accordingly, the NORDEN business is becoming increasingly complex, and we constantly have to *keep ahead* in order to be able to supply relevant financial information that can serve as a basis for deciding the direction in which NORDEN should move” says Stig Kelstrup, Corporate Controller.

Backbone of the organisation

“Together, Accounting, Finance and Corporate Control in many ways form the *backbone* and combined memory of the NORDEN business by virtue of the amount of business information we collect, process and possess and the close dialogue we maintain with internal as well as external users of data. Our most important task is to ensure that the extensive amount of business data – our *business intelligence* – can serve as the basis for decisions to facilitate *intelligent business*,” explains Senior Vice President Kristian Wærness, Finance & Accounting.

Ping pong with customers and business partners

On 7 December, NORDEN in China hosted the annual and entertaining Shanghai Maritime Awards ceremony, at which five students and two professors at Shanghai Maritime University (SMU) who had made a special mark during the year were honoured. The awards were established in 2005 as part of NORDEN's close collaboration with the university to nurture young talents in Chinese shipping.

This year's student awards went to Mr. Chen Weile (Navigation), Mr. Kang Tianyi (International Shipping), Mr. Yu Xin (Maritime Law), Ms. Yu Wenling (Communications & Transport) and Ms. Huang Xiaoting (Shipping Economics). They were awarded the scholarships on the basis of their great professional skills, their team spirit and their ability to arrange activities for the benefit of their fellow students. The two professors were chosen by the university's 14,000 students as the best educators of the year and thus received the NORDEN Best Educator Award were Capt. Cao Huichang, Merchant Marine College and Prof. Zhuang Jiafang, School of Economics.

One of the world's top table tennis players, Danish Michael Maze, presented the awards to the students and the professors. In connection with the awards, NORDEN hosted a dinner attended by the prize winners, representatives of SMU and specially invited customers and business partners, approximately 110 guests in all.

The next morning, Michael Maze hosted the table tennis event "NORDEN Michael Maze Table Tennis Masterclass", at which thirty selected customers were given the opportunity to learn world-class ping pong. First, Michael Maze showed some good warm-up exercises. After these, the participants played against each other two by two, practicing forehand and backhand strokes, and Michael gave each player useful tips. Finally, the ten best participants got the opportunity to play a set against Michael Maze. Everyone did very well, although nobody managed to beat him.



MICHAEL MAZE GAVE SAMPLES OF WORLD-CLASS TABLE TENNIS – FOR EXAMPLE SCREWBALLS, WHERE AFTER HITTING THE TABLE THE BALL WENT IN COMPLETELY THE OPPOSITE DIRECTION OF WHAT EVERYONE EXPECTED.

Golf sponsorship to strike one for NORDEN



NORDEN has entered into a sponsorship agreement for 2008 with the Danish Europe Tour golf player Anders Hansen. The agreement is NORDEN's first sports sponsorship. So far, the Company has chiefly sponsored educational purposes and establishments in such places as China, Singapore and the Philippines.

"The aim of the sponsorship is to raise the profile of NORDEN internationally to a wide audience as an ambitious and serious shipping company. That the choice fell on golf and on Anders Hansen was actually very straightforward. Since golf is the number one sport within international shipping when companies such as NORDEN meet with customers under

more relaxing circumstances. And Anders Hansen because he has some top human qualities in addition to him being highly ambitious and among one of the world's fifty best golf players," President and CEO Carsten Mortensen explains.

"We have followed Anders Hansen closely throughout 2007, and he was a guest player at our grand event for customers, the NORDEN Invitational 2007, which took place at Tokyo Seven Hundred Club just on the outskirts of Tokyo on 24 October 2007. At this event, about 50 selected customers and business partners of NORDEN participated, and on this occasion Anders demonstrated his impressive skills both when it came to

PRESIDENT YU OF SHANGHAI MARITIME UNIVERSITY (SMU) EXPRESSES HIS THANKS FOR THE STRONG COLLABORATION BETWEEN NORDEN AND SMU.



long drives down the fairway and when it came to the very short play on the green. At the same time, he offered the participants good advice on technique and strategy,” says Carsten Mortensen.

Currently, the sponsorship agreement is in effect until the end of 2008, and it provides NORDEN with the opportunity to use Anders Hansen for marketing purposes and in connection with two NORDEN customer events, one in Europe and one in the USA. As part of the agreement, Anders Hansen will also wear NORDEN's logo on his golf cap and on his polo shirts and sweaters.



Management

1 January 2008: *Ivar Hansson Myklebust*, CFO, became member of the boards of directors for “NORDEN” Tankers and Bulkers (USA) Inc. as well as “NORDEN” Tankers & Bulkers do Brazil Ltda. replacing the previous CFO Jens Fehr-Christensen.

Corporate functions

15 December 2007: *Kasper Devantier*, 29, was employed as claims manager.

Finance Department

1 November 2007: *Monika Mølgaard Frederiksen*, 33, was employed as financial assistant.

1 January 2008: *Mette Berger* was promoted to senior financial controller .

Technical Department

15 oktober 2007: *Robert Dehn*, 43, was employed as new building manager in the newbuilding section.

1 December 2007: *Sanne Berglund Simonsen*, 33, was employed as secretary.

1 January 2008: *Jørn Andresen*, QA section, was promoted to general manager .

1 January 2008: *Mr Antony Godfried Ujong*, was employed as electric superintendent at NORDEN's GSI Site Office, China

1 January 2008: *Mr Cui Daojun*, was employed as paint superintendent, NORDEN's GSI Site Office, China 13 March 2008: *Anne-Grethe Ringhus Hansen*, crew manager, will celebrate her 60th birthday.

Dry Cargo Department

1 January 2008: *Alex Christiansen* was promoted to vice president in Chartering Capesize & Panamax and is head of the FFA section at the same time.

1 January 2008: *Inga Ellekjær* was promoted to general manager in Operations Handymax.

1 January 2008: *Kenni Havsholm* was promoted to operations manager in Operations Panamax.

1 January 2008: *Julie Mailind* was promoted to operations manager in Operations Handymax.

1 January 2008: *Peder Prang Nielsen* was promoted to senior operations manager in Operations Handymax.

1 January 2008: *Jacob Vind* was promoted to chartering manager in Chartering Handymax.

1 January 2008: *Astrid Hinderks*, 30, was employed as operations manager in Panamax Operations.

3 January 2008: *Nina Knudsen*, 19, was employed as student assistant in Management Support.

16 January: *Lissi Leonhardt*, secretary in the Dry Cargo Secretariat, will celebrate her 50th birthday.

16 March 2008: *Mikkel Fruergaard*, senior chartering manager and deputy in Capesize and Panamax Chartering, will celebrate his 30th birthday.

Annapolis

4 December 2007, *Alex Mironov*, 33, was employed as assistant chartering manager.

Shanghai

6 December 2007, *Sophie Bu*, 25, was employed as documentation manager.

Singapore

1 November 2007: *Ling Fei Tan*, 34, was employed as IT administrator.

12 November 2007: *Wen Qing Li*, 39, was employed as operations manager in Dry Cargo.

1 December 2007: *William Chong*, was employed as HR & Administration executive.

1 January 2008: *Anne Mette Hansen* was promoted to chartering manager.

2 January 2008: *Irwin Khoo*, was employed as accountant.

NORDEN's vessels

19 November 2007: *Suni Justinus Simonsen*, 51, was employed as master onboard m.v. NORD-FLEX.

16 November 2007: *Michael Berggren Nielsen*, 42, was employed as chief officer onboard m.v. NORDFLEX.

7 December 2007: *Kristian Fogh Thomsen*, 26, was employed as apprentice officer (navigator) onboard m.v. NORDPOL.

21 December: *Mogens Lund*, master onboard m.v. NORD OCEAN, celebrated his 50th birthday.

1 January 2008: *Mik Haar*, 20, was employed as apprentice officer (dual).

DRY CARGO

Long-term charters

NORDEN has agreed on long-term charters with purchase option of a Handysize bulkcarrier (28,050 dwt) for delivery in 2010 and a Handymax (58,000 dwt) for delivery in 2012.

TANKER

Sale of vessels

NORDEN sold and delivered the product tanker m.t. NORD STRAIT (built 2004, 46,000 dwt) to the new owner in the fourth quarter of 2007.

Deliveries to the core fleet

NORDEN has taken delivery of 3 long-term chartered Handysize product tankers (built 2007, 37,000 dwt).

NORDEN's fleet at medio december 2007

Vessel type Size (dwt)	Dry Cargo Department					Total	Tanker Department					Total
	Capesize >150,000	Post-		Handysize 25-40,000	Total		Aframax 80-120,000	Product tankers			Total	
		Panamax 85-120,000	Panamax 65-82,500					Handymax 40-60,000	LR1 60-80,000	MR 42-60,000		
Vessels in operation												
Owned vessels	2	-	2	5	-	9	-	-	1*	4	5	14
Chartered vessels (with purchase option)	3	-	12*	15*	1	31	-	-	3	-	3	34
Chartered for at least three years	-	-	3	6	3	12	-	-	3	10	13	25
Total active core fleet	5	0	17	26	4	52	0	0	7	14	21	73
Other chartered vessels	-	-	90	39	14	143	3	-	-	-	3	146
Total active fleet	5	0	107	65	18	195	3	0	7	14	24	219
Vessels to be delivered to core fleet												
Newbuildings (owned)	-	4	-	12***	12**	28	-	-	3	4	7	35
Chartered vessels (with purchase option)	-	4	7	15**	6	32	-	-	9	-	9	41
Chartered for at least three years	-	-	-	9	4	13	-	1	-	4	5	18
Total for delivery to core fleet	0	8	7	36	22	73	0	1	12	8	21	94
Total gross fleet	5	8	114	101	40	268	3	1	19	22	45	313

* Of which 1 unit sold. ** Of which 2 units are 50%-owned. *** Of which 4 units are 50%-owned and 3 sold, of this 1 units 50%-owned.

Naming of NORD PHOENIX

The Panamax bulkcarrier m.v. NORD PHOENIX (82,000 dwt; 229 m LOA; 32.36 m beam) was named and delivered on 2 November 2007 to NORDEN at Tsuneishi Shipyard in Japan. The vessel's godmother was Henriette Mortensen, married to NORDEN's President & CEO Carsten Mortensen. At the festive ceremony, their sons Sebastian and Benjamin also participated.





THE TOP FLOOR, WHICH IS LOCATED IN THE MANSARD ROOF, IS BEGINNING TO TAKE SHAPE: HERE IS THE BOARD MEETING ROOM WITH THE LARGE GLASS FRONT GIVING AN IDEAL VIEW OF THE HARBOUR.

NORDEN's new headquarters take shape

The renovation of NORDEN's future headquarters, "Bryghuset" on Strandvejen in Hellerup, is proceeding as planned. The extensive and hard work with concreting, renovating and expanding the flooring in the old main building is now almost completed. At the same time, a number of partitions have been put up and the building of the carrying walls of the extension to the main building is nearly finished. At this moment, a lot of technical installations are being installed everywhere in the building such as piping for plumbing, cabling inside the walls and above ceilings, ventilating shafts, radiators, etc.

"Parallel to the building process, the purchase of different equipment for the indoors accommodations and the future operation is being called for tenders. It is everything from office furniture to AV equipment for meeting rooms as well as equip-

ment for protection against theft, for delivery of supplies and so on, and it is a very extensive process," says Martin Badsted from the Corporate Secretariat, who has the responsibility for the comprehensive renovation project and the relocation into the new headquarters.

"The next big tasks will be to install windows, to complete the front aspect of the extension and to set up a fire escape from the ground floor to the fifth floor in the northern part of the old building. In order to get started of the establishing of the parking basement, we are now only awaiting the building permit from the local authorities in Gentofte. We hope this will be in January 2008. We still plan for NORDEN to take over the completed building on 1 May 2008 and be ready to move in on 1 June 2008," he says.



THE "SEA STALLION" ON OPEN SEA.

Putting safety first

In the summer of 2007, a true copy of a nearly 1000 year old viking ship, the "Sea Stallion" ("Havhingsten"), sailed from Roskilde, west of Copenhagen, to Dublin in Ireland through stormy weather and high waves in the North Sea. On board was a crew of 65 "modern" vikings (male/female), all properly equipped with modern survival suits donated by D/S Orients Fond on behalf of NORDEN.

"The Alpha and Omega of sea travelling have always been maximum safety and good material, and it will continue to be so. And since safety and quality are hallmarks of NORDEN, it was only natural for D/S Orients Fond on behalf of NORDEN to support the project," says Carsten Mortensen, board member of D/S Orients Fond.

"In many ways, "Sea Stallion" represents the finest within ship construction as well as seamanship. It has therefore been very exciting to follow the extensive work carried out at the Viking Ship Museum in Roskilde where "Sea Stallion" was reconstructed as well as the very professional planning of the expedition on open sea," he says.

The "Sea Stallion" was reconstructed after a 30-metre-long viking warship called "Skuldelev 2". This ship was built by vikings in Dublin in 1042, and the remains of it was discovered in Skuldelev, north of Roskilde, in 1957. It took employees from the Viking Ship Museum in Roskilde and a number of volunteers five years from 2000-2004 to reconstruct the ship in full scale by using only materials, tools and construction principles thought to have been used during the construction of the original ship. In 2007, "Sea Stallion" set out on its maiden voyage to Dublin and is expected to return in the summer of 2008. The ship will subsequently be laid up for the winter at the Viking Ship Museum in Roskilde.

The purpose of the project around "Sea Stallion" is to gain more insight into the transport technology, which formed the basis for the Danish rule in countries around the North Sea in the viking age, and also to expand on current knowledge of sailing techniques during the viking age. Learn more about the "Sea Stallion" at www.havhingsten.dk.