News

10 years of strong growth in Singapore

When NORDEN opened its first office outside Denmark in 1997 in Singapore, the staff consisted of only one employee and the focus was tanker activities. Five years later, the first two dry cargo employees followed, and since then the development has really picked up speed.

A three-step development
Today, the Singapore office is NORDEN’s local head office in Asia. It has a staff of 16 employees within dry cargo and tanker chartering, operations and vessel administration, and the tasks within ownership as well as vessel control are in rapid growth.

“The purpose of establishing the office back in 1997 was first of all to gain a better foothold in the Asian tanker market, which, to a large extent, is controlled from Singapore. At the same time, we would be present to our tanker customers in the region in the local time zone, and we would gain a better understanding of how the markets operate here,” says Peter Borup, who is in charge of NORDEN’s activities in Asia and managing director of the Singapore office.

“As its next move, NORDEN upgraded the office in 2002 by setting up a full-toned dry cargo department with specialists within chartering as well as operations. This would secure NORDEN a "platform" to expand the Company’s dry cargo activities in Asia and Australia and, at the same time, create the basis to establish further offices in key markets throughout Asia such as China and India. As the third step on the ladder, NORDEN set up the

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“The markets in China and India are so huge that only minor fluctuations in the import or export are enough to influence the global market dramatically. So this is a fine example of the points raised in the chaos theory that the “flap” of a single butterfly’s wings in China may produce a heavy “sneeze” on the opposite side of the globe”

company NORDHVAL Pte. Ltd. in 2003 also based in Singapore. This company was to own and control an expanding fleet of bulk-carriers and product tankers in the region. The main part of these goals has been reached during NORDEN’s first 10 years in Singapore,” he states.

Local head office
The office, which is to be found in a skyscraper with panorama view of Singapore Eastern Anchorage, has four kinds of tasks in brief:
1. Cultivate the market and work the customers in Southeast Asia (Thailand and Indonesia) and Australia.
2. Obtain regional market development which may be done through close cooperation with the offices in Mumbai and Shanghai in relation to transports to and from India and China plus through cooperation agreements in the region.
3. Be the local head office, which implies the handling of all financial records and administration of the two other NORDEN offices in Asia.
4. Support NORDHVAL Ltd. Pte. in building and controlling an attractive and active fleet.

Knowledge is crucial
The team in Singapore is very international: The office has employees from Singapore, Japan, Indonesia as well as Denmark, each with their own special qualifications. Most of the employees do a lot of field work and visit the customers and partners. As Peter Borup puts it: “It is easy to sit at the office and abolish the law of gravitation at a port. You need to go and see the conditions in order to understand the actual circumstances at the ports and the other links in the transport and service chain. A lot of money is at stake when a vessel can cost USD 30,000 per day. The competition in relation to the customers is tough. Price is the first important parameter, while knowledge is the second. Our fingerprint on all the projects we handle should be: Quality, service, flexibility – and knowledge. Only in this way will we be able to build customer loyalty.”

Visit by NORDEN’s Board of Directors
NORDEN's Board of Directors visited Singapore in January 2007 on the occasion of the office's tenth anniversary in the country. During their visit, they were hosts of a dinner party with Lim Hwee Hua, Singapore’s Minister of State for Transport and Finance, at which Mr. Tay Lim Heng, CEO of the Maritime and Port Authority of Singapore (MPA) also participated. In his welcome speech at the dinner, NORDEN’s Chairman, Mogens Hugo Jørgensen, emphasized that, in its 10 years in Singapore, NORDEN had experienced considerable growth in the number of activities that had their starting point in Singapore which is why the Singapore office has developed into a natural "hub" for NORDEN’s activities in Asia. “Singapore is NORDEN’s "other leg" in relation to the Company’s shipping activities both within ownership and control of vessels,” he established.

Thorough briefing
During their Singapore visit, NORDEN’s Board of Directors received a thorough briefing on the Company’s activities in Asia. They also had the opportunity to meet NORDHVAL’s external board members, Robert Sumantri, CEO of Altus Pte. Ltd, and Professor Pang Eng Fong, Dean of Singapore Management University, as well as different representatives from the MPA, from the Center for Maritime Studies and from the Singapore Shipping Association.
Towards new goals

The goals for NORDEN in the years ahead have been set, and they are ambitious. We want to be a leading shipping company and the preferred partner within global tramp shipping. We will achieve these goals through increased focusing of our activities and development of our position within the markets and segments in which NORDEN has special competences and therefore can make a difference.

In 2007 and the years to come, we will continue developing our organisation, processes and employees as well as focus even more on developing and maintaining lasting relationships with our partners. At the same time, we will continue our active risk management and maintain our strong financial resources in order to take advantage of the possibilities offered by the market. With NORDEN’s profit for 2006, which is the third best in the Company’s history, we are very well equipped to achieve these goals.

2007 will be yet another exciting year with lots of new activities, big changes and mile-high expectations. The activity in all markets is great, and the freight rates – especially within the dry cargo segment – have started at high levels in the first quarter. At the same time, we have 67 vessels on order, 22 of which are set for delivery in 2007. Internally, the work with our vision, mission and values is advancing throughout all branches of the organisation, and the rebuilding of NORDEN’s new headquarters is progressing as planned. Overall, NORDEN expects that the earnings in 2007 will set a new record for the Company.

In this issue of NORDEN News, you can read more about NORDEN’s strategy for the coming years and see examples of the Company’s market cultivation in Asia and North America among other places. You can also read about the challenges you face as an apprentice officer on land and at sea and about NORDEN’s new website which soon will be launched. Enjoy reading this issue.

CARSTEN MORTENSEN

Coal, salt and oil
The most important transports which the Singapore office accounts for are the transport of coal from Indonesia to Thailand, India and the Mediterranean as well as the transport of salt and minerals from Australia. Particularly within the transport of coal, NORDEN is known in the region for its great competences.

NORDEN has just conducted a large seminar in Indonesia on coal transportation educating both port captains, agents and the companies’ buyers. NORDEN’s services are also in great demand when it comes to tanker activities. The Tanker Department in Singapore has nearly doubled its number of customers within the last year. Due to this an operations department was recently set up in order to handle Norient Product Pool’s operations in the local time zone.

Large fleet
In recent years, NORDEN has developed a constantly expanding fleet owned and controlled from Singapore – and under Singapore colours. Currently, NORDEN is controlling 25 vessels through NORDHVAL Pte. Ltd and its subsidiaries.

“This is why I spend a significant part of my time being on the move,” says Peter Borup, who has become a familiar face on Singapore Airlines due to his tasks for NORDHVAL and frequent visits to NORDEN’s offices in Mumbai and Shanghai.

Great potential
In addition to the tasks of securing cargoes plus here-and-now customer care, the office also has a number of important assignments in relation to the development of NORDEN’s activities in Asia long-term.

“The economies in Asia are experiencing rapid change, and especially China and India represent such large markets that even the smallest changes in the import and export patterns can have great influence on the international shipping industry – and therefore also on NORDEN’s opportunities in the region. China, for instance, spends 2.4 billion ton coal every year and currently imports 35 million ton. If this last figure was to double, it would employ an additional 70 Handymax bulkcarriers on an annual basis which is a development that would have huge consequences on the demand for tonnage – and on the freight rates. Therefore, it is also an important task for us at the Singapore office to keep close track of the development and to assess which specific steps NORDEN should take next. There is a great potential in Asia,” according to Peter Borup.
The course is set: NORDEN’s goal is to be a leading shipping company and the preferred partner in global tramp shipping. The Company seeks to achieve this goal through organisational development, partner focus, risk management and financial strength and by focusing NORDEN’s activities on the dry cargo and tanker areas.

Organisational development
NORDEN does not distinguish itself from its competitors in terms of physical assets, as vessels and transports are freely available in the market. The distinguishing factors are the competences within the organisation and its ability to employ and operate these assets. NORDEN therefore sees the Company’s ability to retain competent employees and continuously strive to develop the overall competences within the organisation as a key competitive parameter.

Partner focus
NORDEN is dependent on having good relationships with shipyards as well as customers, and the Company is dedicated to treating these as partners. The Company is convinced that developing and maintaining lasting relationships with business partners will provide the Company with the strongest basis in the long term for expanding and employing the fleet.

Risk management
Active risk management of the exposure to fluctuations in freight rates and the prices of vessels is a key element in the Company’s business model. Therefore, part of NORDEN’s fleet is fixed on long-term charters. NORDEN keeps a close watch of the markets and continually adapts fleet coverage to the Company’s assessment of market conditions and expectations.

Financial strength
NORDEN maintains strong financial resources in order to be able to take advantage of the opportunities arising in more volatile market conditions. The Company’s capital structure continuously reflects its considerable liabilities in the form of future time charter payments and payments to shipyards in respect of future newbuildings.

Dry cargo: Market leader in Panamax, Supramax and Handysize
Critical mass
Although size is not a goal in itself, it is important to develop critical mass and market profile. This positively affects the company’s ability to attract new customers and to maintain a high level of efficiency and efficient exploitation of the fleet. The Company has obtained economies of scale in the Supramax and Panamax segments, and NORDEN will continue to develop these segments. Also, its establishment in the new Handysize segment provides the Company with the ability to offer customers a broader, more complete range of services.

Expansion of the core fleet
It has become more attractive to control tonnage, as this allows the Company to make very attractive earnings in periods when rates are high. NORDEN therefore intends to increase the core fleet’s proportion of the total dry cargo fleet.

Tanker: Larger fleet of tankers
Expansion of the tanker fleet
The tanker market is marked by consolidation of suppliers, driven by large, listed shipping companies. Meanwhile, customers are growing larger and certain customers – primarily global oil traders – are themselves entering the shipping market. This makes it more difficult to charter capacity in the short market. NORDEN will therefore continue to strengthen its tanker fleet through newbuildings and long-term charters.
Yet another strong annual profit

In 2006, NORDEN achieved its third best annual profit in the Company’s history. With increasing freight rates and more ship days, the expectations are that 2007 will be the best year in the Company’s history.

The profit for 2006 was USD 177 million, equalling DKK 1,050 million, against USD 336 million (DKK 2,019 million) in the record year of 2005. The principal explanations for the reduced profit for the year are lower profits from the sale of vessels (USD 55 million against USD 128 million), lower fair value adjustment of certain hedging instruments (USD -27 million against USD 26 million) and a USD 50 million drop in the profit before depreciation, etc. (EBITDA) due to lower realised freight rates.

Weak freight market in the first half-year
The Dry Cargo Department’s EBITDA was USD 126 million (USD 165 million), constituting a 24% decrease. The lower performance was mainly due to lower realised freight rates as a result of hedging transactions previously entered into and a weak freight market in the first half-year.

The Tanker Department’s EBITDA dropped by 16% to USD 48 million (USD 57 million). The decrease is explained by an increased expense level due to a larger proportion of chartered vessels to owned vessels.

The annual profit provides NORDEN with an even stronger financial base. The Company’s equity grew to USD 714 million at the end of 2006 against USD 611 million in 2005.

Continued expansion of the fleet
The expansion of NORDEN’s fleet continued, but with greater focus on owned vessels. The fleet of owned vessels was expanded from 10 to 14 and the total active fleet – owned vessels as well as chartered vessels – amounted to 153 vessels at year-end. At the same time, NORDEN had 14 own newbuildings on order.

Mile-high expectations
NORDEN is well positioned to benefit from the presently high freight rates, especially within the dry cargo segment. In 2007, NORDEN expects a record profit in the level of USD 380-410 million after tax (approx. DKK 2,150-2,350 million). Included in these calculations is a profit from the sale of vessels of USD 95 million (approx. DKK 550 million). All figures may be viewed in more detail in NORDEN’s Annual Report for 2006, which can be downloaded from NORDEN’s website www.ds-norden.com.

Roadshow
NORDEN also communicates its results through other channels in order to attract international attention. In connection with the publication of the Annual Report for 2006, CEO Carsten Mortensen and Vice President of the Corporate Secretariat Martin Badsted have conducted an international road show in the days from 28 to 30 March 2007 presenting NORDEN to selected investors in New York, Boston and London.
A career at sea – a job

An education as officer means four intensive years of regular shifts between theory in the classroom and practice on the bridge and in the engine room. Once training is completed, the world is at your doorstep.

"It was not written in the stars that I was to have a career at sea, as my family has no tradition for work at sea," says Simon Olesen, apprentice officer with NORDEN since 2003.

"In the ninth grade, I took my one-week work experience training on board the training ship Georg Stage, and that was my first time on board a real ship. I found it a very interesting experience and wanted to pursue this type of work, but decided first to take a higher preparatory diploma after the tenth grade," he continues.

"Drawn by the sea"

"But while I was studying for my higher preparatory diploma, I was so drawn by the sea that I was allowed to complete a five-month training voyage with Georg Stage to the Faroe Islands, Norway and the Orkney Islands, which only whetted my appetite even more. I discovered that I liked working and travelling at the same time, that there are a number of tasks that you have to do every day, but that no two days are alike. So a career as an officer was an obvious choice for me," explains Simon, who started his officer's training in August 2003. His voyage with Georg Stage meant that he was credited the first six-month training voyage and was allowed to start immediately on the workshop training school.

"Hands-on"

"There we were taught craftsmanship, and learned to mend machinery ourselves. The courses are a mixture of theory and practical skills and include materials science, workshop skills, machinery maintenance, electrical science and welding. I like this combination of theory and practice, knowing how things should be done and being able to do them, as well – the hands-on experience," he adds.

All around the vessel

Then followed Simon's first practical training at sea on board the product tanker m.t. NORDAMERIKA. The practical training takes place on NORDEN's tankers, exclusively. This type of vessel pro-
vides the most versatile training as tankers are subject to a number of strict requirements as to the crew’s knowledge of safety and cargo handling.

At the time, NORDAMERIKA was carrying petrol products in the Mediterranean. The route went through Spanish ports, the Suez Canal, Italy and Algeria. On this journey, Simon had a taste of the work of a seaman.

During the first practical training period, one of the objectives is to become familiar with every part of the vessel. On the bridge, Simon got to know the instruments and was given an introduction into the many processes involved in readying the vessel for arrival and departure. He was also given a written assignment to describe the various functions of the vessel. This gave him a broad overview and taught him all the technical terms.

In the engine room, Simon’s first practical training period was spent doing general maintenance work on pumps and electrical equipment. In addition, he helped the engineer with odd jobs.

"Sea legs"
On your first long journey you also typically find your "sea legs", although Simon had already found his on his journey with Georg Stage.

"Finding your "sea legs" takes a little time, but it’s about adjusting for movements with your legs – a bit like skiing – so that you do don’t feel the vessel rocking as much as it actually is and you therefore avoid getting seasick or physically tired," explains Simon.

New disciplines and simulator training
Simon’s second theoretical training period took place at the maritime academy Maritimt Uddannelses Center Vest in Esbjerg, Denmark. This part of the training, which in future will take place at SIMAC in Svendborg, Denmark, took 12 months.

The courses go into more detail on the subjects already covered by the earlier courses. In addition, a number of new disciplines are introduced, including maritime law, cargo handling and stowage, engineering, meteorology, vessel administration and communication.

“Theoretical training was hard, but very educational. It is constantly kept in mind that the things you learn have to be of practical use to you on board. Therefore, there are many practical exercises, including simulator training of navigation and troubleshooting. In navigation, you learn to determine your location by means of radar and other tools. You must learn to plan a voyage from beginning to end, e.g. set the course, calculate times of arrival, distribute cargo, etc. You also have to be able to use old-fashioned charts and a sextant – just in case,” Simon explains.

Crossing the Atlantic four times
Simon then had two stints at sea – first six months on board the Aframax crude oil tanker m.t. NORD STEALTH, followed by four months on board the product tanker m.t. NORD PRINCESS.

At first, NORD STEALTH was fixed on charter in the North Sea between England, Norway and Germany. This was followed by four Atlantic journeys in the period just after hurricane Katrina, when the US demand for oil was increased.

"This period gave me a good understanding of the work involved in loading and discharge operations and taught me to use my theoretical skills in the real world," he says.

Passing the equator
Then followed four months in warmer climates. Simon signed on to NORD PRINCESS in Rotterdam at the newbuilding’s first discharge after delivery from the shipyard in China. NORD PRINCESS was to be employed in tramp trade for the Norient Product Pool. The first leg of the journey was from the Netherlands via Gibraltar, Algeria, Turkey and the Suez Canal. Next, the voyage proceeded through the Red Sea and the Persian Gulf, south along the coast of Africa past Kenya and Tanzania to South Africa (see the description of this journey in NORDEN News, summer 2006).
Many port calls
"Quite a few times along the way, the vessel was at port, waiting. As an apprentice on board with fewer scheduled duties than the fixed crew, I was able once in a while to take a couple of hours off to visit the various port towns. It probably sounds more exotic than it really is. Of course, you do get to see the world, experience other cultures, different types of weather and landscapes when the vessel calls at port. But you do always have a lot of fixed tasks to do, also when you are at port – so you rarely go ashore for more than a few hours," Simon explains.

Fire drill
During the second practical training period on board a vessel you have to complete a number of exercises – such as describing how to perform a fire drill. Much of the communication on board takes place through Standard Operating Procedures to ensure that everything is done properly according to regulation and best practice and that tasks are performed the same way on all NORDEN’s vessels. As an officer, you must be able to communicate rules and instructions clearly and unambiguously to the seamen, orally and in English, which is the official maritime language due to the many nationalities on board. Simon also had plenty of opportunities to try this out in practice.

After NORD PRINCESS’ arrival in South Africa, the destination was back toward the Persian Gulf and then the Far East. Simon signed off in the Persian Gulf at Dubai and headed home for his last period of theoretical training period at SIMAC.

Training through scenarios
Most of the training during the final theoretical training period is based on scenarios and cross-disciplinary projects, and simulators are used in training. For instance, you have to learn to:

- Bring a vessel from A to B (taking into account weather conditions, the season, the cargo and the rules applying in the waters you will sail in);
- Calculate route and arrival time, loading and discharging times, fuel and oil requirements;
- Handle unexpected incidents such as the breakdown of a central engine part. What to do about the problem – and how?

During the theoretical programme, trainees are required to write one large written assignment on a subject of their own choice. The programme is completed with exams in the subjects of mechanical engineering, navigation, electro technology and cargo handling.

Two educations in one
"Overall, I find that my training as a junior officer provides me with a lot of opportunities. It is a great way of obtaining a dual education – we are trained for the engineering aspect as well as for work on the bridge. We can choose either to continue along both lines or to specialise," Simon says.

"I don’t know where I will end up in the long term. As a newly-hatched junior officer, you initially sign on for a three-month journey as a navigator or as an engineer. If I could choose anything I wanted, I would probably like to start off in Northern Europe or the Mediterranean on a small product tanker. There are many port calls and something going on all the time, which is what you learn from," explains Simon.
No more finance

After 15 years in charge of NORDEN’s finances, CFO Jens Fehrn-Christensen has announced that he wants to round off his career this summer and go for early retirement. Instead of meetings, calculations and reporting, he wants to fill his calendar with appointments for a round of golf, hunting, reading a good novel and more than just scanning the headlines in the daily newspaper. But he’ll still have room for a couple of directorships.

“It’s been 15 years of constant expansion in our operations and a period of major change. NORDEN has gone from being a Copenhagen-based Danish shipping company with an international outlook, assets of DKK 750 million and an active fleet of 11 vessels to being an international operator with offices in six countries, assets of more than DKK 5.4 billion and an active fleet of 153 vessels,” says Jens Fehrn-Christensen.

Narrow and broad tasks
The strong expansion, the many new business activities and altered Danish and international rules have made NORDEN’s financial management much more complex and time-consuming over the past 15 years. For this reason, the job has narrowed and become more specialised in some areas and broadened in others.

“In the beginning, I was often directly involved in a number of different aspects of newbuildings, funding, delivering and taking delivery of vessels, investment calculations and so on, but my working day has gradually become more and more filled with risk management, accounts, budgets, insurance issues, processes, decisions and management,” he explains.

Fantastic corporate spirit
“I feel I can leave NORDEN with a clear conscience, because the company is enjoying very good momentum right now, and it has a number of very exciting opportunities. On the other hand, I also have mixed feelings about stopping, because I’m going to miss a lot of things: We have a fantastic corporate spirit. People are happy to come to work everyday. Our entire team works well together, and we have a lot of good team players ready to take on more responsibility and develop our business and our organisation. I wish all of my – soon to be former – colleagues best of luck and ‘happy sailing’ with all of it in the future,” Jens Fehrn-Christensen ads.

A life of deadlines
“What I won’t be missing is the feeling of always being at someone’s beck and call: That there are always new financial deadlines for our accounts, presentations and calculations. I have rarely had time to find out what my resting pulse is or to reflect on things more deeply, to take a fresh look at things from above,” he explains.

A loss for NORDEN
“NORDEN will miss Jens’ professional skills, extensive industry knowledge and excellent qualities as a colleague and strategist, and I’ve told him that, too,” says CEO Carsten Mortensen. “But he has made up his mind, and in many ways I fully understand. When you get the opportunity to change direction and a chance to take up many of the projects you’ve been dreaming of, it’s important that you do it,” he says.

Thorough introduction
Jens Fehrn-Christensen will continue at full speed at NORDEN for a few months yet. The exact date of his last working day at Number 49 Amaliegade depends on when NORDEN can have a replacement ready to take over as CFO. Jens Fehrn-Christensen has promised to do a thorough job of “handing over the keys to the company safe” to the new person taking over.

On a quest for customers in the largest market in the world

NORDEN’s Annapolis office handles just over one-sixth of NORDEN’s total activities in the dry cargo segment, but it has strong growth potential. Only a limited proportion of transports have so far been in open tender, but this trend is reversing in the wake of Hurricane Katrina and the rising freight rates seen in recent years.

Between the North and South
NORDEN’s office in the USA was set up in 2001, located in Annapolis, Maryland, on the dividing line between the North and the South. Maryland is also known as the Old Line State and the Free State because it constituted the border between the North and the South during the American Civil War. Men fit for military service were therefore free to choose whether they wanted to join the Confederate or Union forces.

“Our location between the North and South is well suited to NORDEN in terms of our assignments, our customers and our market canvassing,” says Thomas Jarde, who has been general manager of the Annapolis office since 2004. “Although the US maritime centre is in Stamford, Connecticut, just north-east of New York and some 300 kilometres from Annapolis, few of NORDEN’s customers are located there,” he explains.

Vast market
The Annapolis office covers an enormous geographical area: its employees are responsible for customer contact and market canvassing in Canada, the USA and Central America. The office also handles selected customer relations in South America, including Chile and Venezuela, and operational assignments for voyages to and from North and South American ports, as well as port calls in North America. There are currently eight employees connected to the office: two charterers, three operators and three port captains. An additional charterer will join the office on 1 May. All employees work “in the field” a great deal – visiting customers, business partners and ports.

Visiting customers
“So the important thing is not the location of the office but the accessibility of our customers: essentially, the distance to an airport and its size. In that respect, Annapolis is very well situated, with easy access to three major airports: Baltimore Washington International, Ronald Reagan Washington National Airport and Dulles International Airport. Our meetings with customers and brokers take place all over the USA.

Much of our daily contact is by phone and e-mail, of course, but we do also take a number of trips where we visit several of our business partners in one particular area at a time. On average, we try to meet face to face with each customer twice a year, which is a high frequency in such a large market, where our customers are typically spread out along all coastlines. We also visit the shipping environment in Stamford once a month on average in order to nurture our relations there and see some of our business partners who are located in the area – and, of course, to get ideas and tips on potential customers and transports,” adds Thomas Jarde.

Petcoke, grain and cement
NORDEN’s most important goods going out of the USA are petcoke and grain from the Mississippi River, but originating in the Midwest. Together, these two categories account for more than two thirds of all loads.

Thomas Jarde, 34, has been general manager of NORDEN’s office in Annapolis since 2004. Before that, he worked in NORDEN’s dry cargo department, with responsibility for Handymax chartering in the Atlantic.
The most important goods going into the USA are cement from the Far East, coal from South America, salt from Chile, clinker from Europe and Japan and gypsum from Europe. Almost all of NORDEN’s 190 port calls in the USA in 2006 were in one of four main areas:

- US Gulf/Texas: Petcoke from the many refineries;
- Along the Mississippi River: Incoming: cement. Outgoing: grain;
- West coast (Long Beach; Portland; Seattle; Vancouver, Canada. Incoming: coal, grain and clinker. Outgoing: scrap metal.

Different market conditions

“One thing that surprised me a lot when I first arrived here was that, unlike Europe and other places, potential customers are not nearly as visible and tend to identify themselves far less. We know something like 50-100 prospective customers in each segment, and we think we’ve “fenced them in”, but new prospects keep surfacing. If you can find them, there are unlimited untapped business opportunities out there.

Historically, this could be explained by the fact that many of our smaller customers especially have used the same broker and transport operator for a number of years with minimal changes in freight rates, so there wasn’t much benefit in changing setup. As a result, transports haven’t really been up for tender, and competition has been limited. But all this is changing now,” says Thomas Jarde.

NORDEN in the USA

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<td>Petcoke 49%</td>
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<td>Minerals 4%</td>
<td>Other types 9%</td>
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Several types of customers

“Our customers differ a great deal from one another. They range from customers who have an organisation capable of handling all transport tasks and who are really only interested in the vessel itself to customers to whom we deliver extended services. These services may for example be discharge of the cargo into the customer’s river barges or solutions in which we are involved in several links of the value chain. Naturally, the parameters that are important differ for these two types of customers. But to our customers, knowledge about their business and the individual raw materials is essential. Naturally, so are price, quality and terms of delivery. The entire service package, so to speak,” explains Thomas Jarde.
Wake-up call
The explosive increases in freight rates as a result of increasing transport volumes to China and the reconstruction following Hurricane Katrina gave many companies a veritable wake-up call. Today, sea transport constitutes a larger part of the total price of many products. When customers were due to renegotiate their agreements with their usual broker or transport operator, the rates had suddenly gone up substantially. There was thus a far greater savings potential in inviting tenders from several operators. This has opened up the market considerably, but has also put more focus on price and terms of delivery.

Increased focus on quality
Whereas the US market’s focus on shipping has been relatively low for a number of years compared with Europe and other markets, the new, more open market has greatly enhanced focus on training and supplementary training in the shipping industry.

“All in all, this means that the market will open up further, and companies will focus even more on obtaining efficient, reliable, high-quality transport solutions. And that will be to NORDEN’s benefit,” opines Thomas Jarde.

From polar bears to alligators
Jan Andersen has been a port captain at NORDEN’s office in Annapolis since 2005. It is a position that requires a great deal of travelling to ports and business partners in all corners of the USA and Canada. It provides a good insight into the great contrasts and cultural differences found within this vast market area.

Typically, he travels to Canada in the North, Texas and Louisiana in the South and along the Mississippi River in the Midwest. Here are two examples of Jan’s experiences from everyday life as a port captain in this land of contrasts.

Polar bear-proof front door
In October 2006, Jan found out what it is like to fight against the clock. M.v. NORD ACE was at port in Churchill, Canada, waiting – and waiting – to be able to load grain. The wind speed was 25 knots (13 m/sec.); the waves outside the port in which the vessels were anchored were three metres tall. It was snowing heavily, and there was a technical problem with the grain elevator in the harbour. Furthermore the deadline by which the vessels had to be out of port and out of Hudson Bay (1,000 kilometres away) before the onset of the ice season was approaching rapidly. They just made it, however, because the company operating the grain silo issued an extraordinary guarantee of icebreaker assistance and a special ice pilot.

During his stay in Churchill, Jan also experienced what it is like to live close to nature. The doors of all houses were iron-clad to secure them against “break-ins” by hungry polar bears, and a local order required people not to lock their car and to leave the key in the ignition so that any passer-by could get away in a hurry if a polar bear became a little too interested in a close encounter. Jan only saw polar bears once, however, on an official polar bear safari in the tundra.

Snake on the roof
The area around the southern part of the Mississippi River is accustomed to challenges. When Hurricane Rita was raging shortly after Katrina, Jan Andersen was sitting indoors looking out at the heavy winds. The next day, it was business as usual again, and everyone was busy starting up their work where they had left off and fixing the damage caused by the hurricane. Jan experienced one direct effect of the immense forces of nature. A snake – a relatively harmless one, as it turned out – had sought shelter under a shed roof to escape the rising waters and fell on to the roof of Jan’s car during a car wash, biting his finger. He and the snake were equally startled. There are also many alligators in Louisiana, but they are mostly in the swamps, not in the broad waters of the Mississippi River – where you do often see large turtles, however.
Employee news

ON LAND

New Employees

November
24 November 2006: Teresa Chong, 31, employed as assistant operations manager in Dry Cargo.
27 November 2006: Soo Bin Cheong, 36, employed as corporate secretary at NORDEN’s Singapore office.

January
1 January 2007: Julie Mailind, 37, employed as assistant operations manager in Dry Cargo.
1 January 2007: Klaus Vilstrup, 56, employed as legal advisor in Dry Cargo.
1 January 2007: Karina Hindsberg, 32, employed as financial assistant in Finance.
1 January 2007: Mette Molin, 33, employed as controller in the Control section of Dry Cargo.
1 January 2007: Alex Hjortnaes, employed as senior newbuilding manager in the Technical Department.
7 January 2007: Vivian Wang, 25, employed as chartering manager at NORDEN’s Shanghai office.
8 January 2007: Mona Mao, 32, employed as documentation manager at NORDEN’s Shanghai office.
18 January 2007: Mohamad El-Muzayen, 29, employed as IT supporter in the IT Department.

February
1 February 2007: Jan Ivarsen, 47, employed as chartering manager in Handysize in Dry Cargo.
1 February 2007: Brigitta Johansen, 35, employed as assistant operations manager in Norient Product Pool A/S.
1 February 2007: Morten Ligaard, 41, employed as general manager in the new Bunkers section of NORDEN’s Shanghai office.
5 February 2007: Brian Funk Boldemann, 23, employed as student assistant in the Technical Department.
12 February 2007: Michael Guldmann Petersen, 40, employed as general manager in Operations in Dry Cargo.

March
1 March 2007: Peder Prang Nielsen, 55, employed as operations manager in Panamax Operations in Dry Cargo.

April
1 April 2007: Klaus Stamp, 47, employed as general manager in the new Bunkers section in Dry Cargo.
1 April 2007: Anders Borella, 27, employed as bunker manager in the new Bunkers section in Dry Cargo.
1 April 2007: Tom Ringsted, 57, employed as senior operations manager in Handysize Operations in Dry Cargo.
1 April 2007: Mikkel M. Nielsen, 30, employed as head of management support in Management Support in Dry Cargo.

Job Changes and Appointments

January
1 January 2007: Peter Norborg was promoted to vice president in Dry Cargo.
1 January 2007: Peter Borup can add group vice president to his title as managing director of NORDEN Asia.
1 January 2007: Martin Badsted was promoted to vice president in the Corporate Secretariat under Management.
1 January 2007: Søren Westergaard was promoted to general manager in Newbuildings in the Technical Department.
1 January 2007: Erik Carlsen from the Technical Department was promoted to senior superintendent.
1 January 2007: Jesper Svenstrup from Chartering Handymax was promoted to senior chartering manager.
1 January 2007: Laser Huang from NORDEN’s Shanghai office was promoted to senior chartering manager.
1 January 2007: Allan Wodstrup from Norient Product Pool A/S was promoted to chartering manager.
1 January 2007: Thomas Hechmann from Norient Product Pool A/S was promoted to chartering manager.
1 January 2007: Mette Brylov from Finance extended her field of activity as financial controller.
1 January 2007: Christian Ratenburg transferred from a position as 2nd engineer to a position as assistant superintendent in the Technical Department.
1 January 2007: Echo Zhang transferred from a position as assistant chartering manager at NORDEN’s Shanghai office to a 1-year trainee programme in Dry Cargo in Copenhagen.

February
1 February 2007: Ole Clausen, senior claims manager, transferred from Claims in Dry Cargo to the new Claims & Insurance Department.
12 February 2007: Michael Steenfelt transferred from a position as general manager in Operations in Dry Cargo to a new position as QA & development manager in Operations in Dry Cargo.
12 February 2007: Maibritt Overgaard Jacobsen transferred from a position as financial assistant in Finance to a new position as controller in the Control section of Dry Cargo.

March
1 March 2007: Kristian Wærness was promoted to senior vice president in Finance.
1 March 2007: Christian Danmark was promoted to vice president in Finance.
1 March 2007: Claus B. Jensen transferred from a position as captain in a new position as port captain attached to NORDEN’s Annapolis office.
1 March 2007: Mette Stenild Grøn was promoted to senior operations manager in Panamax Operations in Dry Cargo.

April
1 April 2007: Mark Bastian Neumann transferred from a position as chartering manager in Dry Cargo to a position as general manager at NORDEN’s Rio de Janeiro office.

June
1 Juni 2007: Anders Hansen will transfer from a position as general manager at NORDEN’s Rio de Janeiro office to a position as senior chartering manager in Dry Cargo in Copenhagen.

Anniversaries

February
28 February 2007: Kjeld Rasmussen, 65, celebrated his 20th anniversary with NORDEN and resigned on the same day from his position as senior vice president in Finance to enjoy his retirement.
April
7 April 2007: Alex Hjortnæs, who recently transferred to a new position as senior new-building manager in the Technical Department, will celebrate his 60th birthday.
13 April 2007: Anne-Grethe Frøslov, financial assistant in Finance, will celebrate her 60th birthday.
23 April 2007: Mohamad El-Musayen, IT supporter in the IT Department, will celebrate his 30th birthday.

May
23 May 2007: Mette Brylov, financial controller in Finance, will celebrate her 30th birthday.

June
9 June: Morten K. Jacobsen, corporate controller in Management, will celebrate his 30th birthday.

AT SEA
New Employees
December
5 December 2006: Milan Rosendahl Falsing, 20, employed as apprentice officer (single).

January
5 December 2006: Milan Rosendahl Falsing, 20, employed as apprentice officer (single).
1 January 2007: Ronni Alexander Wilhelm Jensen, 26, employed as apprentice officer (dual).
1 January 2007: Stefan Henrik Mougaard, 21, employed as apprentice officer (dual).
1 January 2007: Matias Würtz Andersen, 24, employed as apprentice officer (single).
1 January 2007: Morten Humle Christensen, 30, employed as apprentice officer (single).
1 January 2007: Toke Larsen, 24, employed as apprentice officer (single).
1 January 2007: Andreas Bregndahl, 27, employed as apprentice officer (single).
21 January 2007: Lars Eghoff, 41, employed as chief officer onboard m.t. NORD PRINCESS.
30 January 2007: Anders Jørn Hansen, 63, employed as chief officer onboard m.t. NORD PRINCESS.
30 January 2007: Mogens Lund, 50, reemployed as chief officer onboard m.t. NORD ASIA.

Job Changes and Appointments
December:
4 December 2006: Jens-Ole Thomasen transferred from his position as chief officer to a new position as master onboard m.t. NORD THUMBELINA.

Changes in NORDEN’s fleet

DRY CARGO
Deliveries to owned fleet
On 26 January 2007, NORDEN took delivery of m.v. NORD WHALE (built in 2004; 50,236 dwt of 11.925 m; 189.8 m LOA; 32.26 beam).

On 8 February 2007, NORDEN took delivery of m.v. NORD OCEAN (built in 2003; 52,441 dwt of 12 m; 190 m LOA; 32.26 beam).
Strong interest in NORDEN’s trainee programme

The advance interest was great and attendance was impressive when NORDEN held an information meeting on the Company’s shipping trainee programme in late January.

The 72 candidates who turned up heard Michael Steenfeldt talk about NORDEN, the trainee programme and the career opportunities in Denmark and abroad. Two current trainees, Christian Hornum and Søren Tolbøll Nielsen, also spoke about their daily work and of the challenges of being a NORDEN trainee.

The meeting also featured a screening of the new NORDEN trainee film, which presents the two-year programme, the work in chartering and operations and NORDEN’s corporate culture and career opportunities based on interviews with three current trainees, Christian Hornum, Nickie Neumann Hansen and Oliver Ritz. Afterwards, many questions were asked.

“Some of the typical questions were: Can you choose where to be seconded?, is it tough being a trainee? and do you need B-level maths?” explains Michael Steenfeldt, who believes that the strong advance interest is the result of NORDEN’s intensified marketing efforts, the presentation of NORDEN at career days at Copenhagen Business School and Lyngby Business College as well as the Company’s participation in the Training Caravan road show, which in connection with the general Blue Denmark campaign visited some 150 secondary schools, business colleges and technical colleges in the autumn of 2006.

NORDEN is currently in the process of recruiting trainees to start the programme on 1 August 2007.

Sales of vessels
NORDEN sold m.v. NORD PHOENIX (built in 2000; 50,244 dwt) and m.v. NORD SPIRIT (built in 1997; 47,000 dwt). The vessels were delivered to their new owners on 18 January 2007 and 15 February 2007, respectively.

TANKERS

Long-term charter
On 8 February 2007, NORDEN returned m.t. NORD STEALTH (built in 2001; 103,344 dwt) to its owners.

Sales of vessels
NORDEN sold m.t. NORDATLANTIC (built in 2001; 105,344 dwt) and m.t. NORDEUROPA (built in 2000; 35,775 mt). The vessels were delivered to their new owners on 2 March 2007 and 23 March 2007, respectively.

Status of the fleet
At mid-March 2007, NORDEN’s fleet consists of the following vessels:

<table>
<thead>
<tr>
<th></th>
<th>Dry cargo</th>
<th>Tanker</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Active fleet</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>- Owned vessels</td>
<td>8</td>
<td>5</td>
<td>13</td>
</tr>
<tr>
<td>- Charter parties with purchase options</td>
<td>24</td>
<td>3</td>
<td>27</td>
</tr>
<tr>
<td>- Other charter parties</td>
<td>116</td>
<td>10</td>
<td>126</td>
</tr>
<tr>
<td><strong>Total number of vessels</strong></td>
<td>148</td>
<td>18</td>
<td>166</td>
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</table>

<table>
<thead>
<tr>
<th></th>
<th>Dry cargo</th>
<th>Tanker</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>For delivery</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>- To fleet of owned vessels (100%)</td>
<td>8*</td>
<td>3</td>
<td>11</td>
</tr>
<tr>
<td>- To fleet of owned vessels (J/V)</td>
<td>6*</td>
<td>-</td>
<td>6</td>
</tr>
<tr>
<td>- Charter parties with purchase options</td>
<td>37</td>
<td>10</td>
<td>47</td>
</tr>
<tr>
<td>- Other charter parties</td>
<td>8</td>
<td>6</td>
<td>14</td>
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<tr>
<td><strong>Total number for delivery</strong></td>
<td>59</td>
<td>19</td>
<td>78</td>
</tr>
</tbody>
</table>

* Of these, one sold
New website to give NORDEN’s communication a lift

NORDEN is about to launch a new website. In addition to a new, more modern graphic profile, the new site will boast much more extensive contents, a number of new functionalities and will be easier to navigate. Among the features will be an in-depth presentation of NORDEN’s business areas and a range of new information for investors and the media.

The website will also offer a new career universe and easy access points with useful links for investors and the media, partners and prospective new employees.

The aim is to provide a better overview of all information about NORDEN and to make it easier for the various target groups to find the information they seek. The website is also to give users an insight into the human values which are an essential part of NORDEN and is one of the things that make the Company unique.


Birthday serenade in the courtyard

The Vice Chairman of NORDEN’s Board of Directors, Alison J. F. Riegels, turned 60 on 7 March 2007. Representatives of NORDEN’s Executive Group and Board of Directors surprised her at her home, bringing flowers and singing happy birthday in harmony in her courtyard to celebrate the special day. Alison J. F. Riegels is CEO of A/S Motortramp and has been a board member of NORDEN since 1985.