

SHOULDER TO SHOULDER

Danish relief effort to Japan after the tsunami

Page 4-5

100 CARGOES FOR THE USA

Page 3

NEW VESSELS FOR TANKERS

Page 6

43% MORE CREW MEMBERS

Page 8

NORDEN calendar

20 July 2011

Naming of 116,000 dwt. Post-Panamax dry cargo vessel
Mizushima, Japan

25 July 2011

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

26 July 2011 – 16 August 2011

Silent period until publication of the interim report for the first half-year 2011

15 August 2011

Naming of 32,000 dwt. Handysize dry cargo vessel
Fujian Mawei, Japan

16 August 2011

Interim report – first half-year 2011

26 August 2011

Naming of two 31,800 dwt. Handysize dry cargo vessels
Jiangmen Nanyang Ship Engineering Co. Ltd., China

29 August 2011

Naming of 55,500 dwt. Handymax dry cargo vessel
Tamano, Japan

25 September 2011

Naming of 82,000 dwt. Panamax dry cargo vessel
Guangzhou Longxue Shipyard, China

Cover photo

Danish-Japanese summit in connection with

the aid for the tsunami victims.

From the left: General Manager Makato Yamaguchi from Sumitomo Corp., President & CEO Yukito Higaki from Imabari Shipbuilding Co., HRH Crown Prince Frederik, Carsten Mortensen from NORDEN, President & CEO Katsuya Abe from Nissen Kaiun Co. and Executive Vice President Seichi Tanaka from Mitsui & Co.

Dampskibsselskabet NORDEN A/S

52, Strandvejen
DK-2900 Hellerup
Denmark

Telephone: +45 3315 0451
www.ds-norden.com

Editor-in-chief:

Carsten Mortensen

Editors: Corporate Communications & CSR

Articles: Hans Bøving, Karina Skydt

and Anne Thommesen

Layout and graphic design:

meyer & bukdahl as



DOING THE RIGHT THING

If in the future someone decides to write the history of the dry cargo market, I am sure that 2011 will have a dedicated chapter.

Not only because we are in the middle of a historical supply growth with a massive addition to the global fleet, but also because the year has presented us with numerous disruptions in demand: flooding of Australian coal mines, inundations along the Mississippi river, natural disaster in Japan, political unrest and revolution in North Africa and the Middle East, soaring oil prices, debt crisis in Southern Europe reaching far into the Euro zone, weakened global growth, etc. Much of what could go wrong indeed has gone wrong.

Seen in this light, it goes without saying that freight rates are under pressure. There have been significant decreases in rates for the largest vessel type, Capesize, while rates in the small and medium vessel types have trended more sideways, however decreasing somewhat.

Luckily, not everything is negative. There are bright spots, the brightest being scrapping. Driven by the low rates and reasonable scrapping prices, a number of old, outdated vessels are sent for scrapping. We have seen this pattern for 5 consecutive months, and consequently scrapping will be record high this year. Some analysts expect 22-23 million dwt. to be scrapped. This means that the net fleet growth will be slightly lower than feared.

Another bright spot is that few new vessels are being contracted. Order activity this year appears to be the weakest since 2002. This of course will also contribute to faster restoring the balance between supply and demand in the market.

Finally, we must not forget that despite the massive disruptions in demand, we are seeing reasonable growth in demand for most commodities, especially iron ore and cement. And many years in the shipping industry have taught me not to underestimate the market even in the darkest of times. We know, for instance, that China following the worst drought in 50 years is lacking the power usually provided by water power. We know that India's own production of coal also this year is insufficient to meet the demand of the country. We know that Japan is in need of large amounts of commodities for rebuilding. We know that the grain harvest in South America looks promising. And we also know that the mines in Australia are soon back on full speed.

But we do not know whether these events will affect the market and if so, how much. Whether they can contribute to creating the cargoes which especially the Pacific is short of. We can hope for the best, but in NORDEN we are still planning from the perspective that also the rest of 2011 will be very challenging.

How do we cope with the difficult market? We do our work, simply put. We began the year with approximately 30,000 ship days covered by charter outs and contracts of 22 million tonnes of cargo. These vessels will sail and these cargoes will be transported – that is the backbone of our business. But there have also been windows in the market allowing us to do classic operations activity – take in vessels, employ them in a reasonable manner for a short period of time, maybe only for a single voyage, and then phase them out again. Finally, we focus on growing the contract portfolio. The goal is to increase the transported volumes under the cargo programme for the years 2011-13 by 15% annually on average, and we want to increase cargo volumes secured by contract accordingly. Without revealing too much, I can say that the first 6 months have confirmed that these goals are achievable also with reasonable profitability.

I will not claim that it will be easy. Supply growth and the imbalance in the market this year are putting everyone under pressure. But in NORDEN we can afford to do "the right thing" at any time and think long term. Far from all our competitors are in a similar position. We also have the will, a talented organisation, well-functioning systems, a clear strategy and a modern fleet. This means that we have what it takes to succeed, maintain focus on our customers and act in any way required by the situation to strengthen the business going forward.

Let me finish with a PS regarding Japan: together with other contributors, I have recently visited the areas hit the hardest by the natural disaster. Even though the clean-up is proceeding with Japanese meticulousness, it is not difficult to sense the scope of the disaster. However, the image that I am taking with me home is not one of devastation and distress. It is the image of the lively, smiling and cheerful little children who we met during our visit. Children who are coping despite having lost their homes, parents, family members and familiar surroundings.

This much zest for life following traumas that big. That certainly puts things in a new perspective.

I wish you a wonderful summer!

CARSTEN MORTENSEN, CEO

Loading of salt at the port Caleta Patillos near the large salt mines in the northern part of Chile.

100 CARGOES FOR THE US EAST COAST

NORDEN has entered into a multi-year COA on transport of salt from Chile to the American east coast.

The salt is extracted from mines in a salt desert in the northern part of Chile close to the port Caleta Patillos from which the salt is shipped to ports on the American east coast such as Boston, New York, Baltimore and Philadelphia.

The contract has been made with Empresa Maritima S.A. (Empremar), a Chilean subsidiary of the German group K+S Gruppe, which is one of the world's largest manufacturers of salt and fertilizer.

"The agreement is an expansion of the working relationship we have with a much esteemed customer, which we have had a number of contracts with for almost a decade. But the new contract is the most extensive to date," says Director Mikkel Borresen. He is Head of NORDEN's office in Annapolis, USA, which manages the contact with Empremar.

Good logistics

The first shipments under the new contract will take place in 2013, and under the multi-year contract, NORDEN expects to ship 100-110 cargoes of salt from Chile on board Handymax vessels. The salt will be used as road salt on the North American roads.

There is good correlation between the salt transports from Chile and NORDEN's other transport patterns. The Company already transports major amounts of coal and grain to Chile and also has significant traffic to Chile's neighbour to the north, Peru. There are therefore frequently vessels in the area to handle the salt shipments to the USA.

Winter takes its toll

Salt is an important commodity for NORDEN's Dry Cargo Department. Last year, salt comprised 8% of the cargo volumes shipped under the Company's cargo programme (exclusive of cargo on vessels chartered out). The salt is partly used for salting icy roads, partly for chemical production and production of caustic soda.

The most significant of NORDEN's salt routes start from Chile and Western Australia, respectively, where salt is available in massive amounts, and the main routes chiefly lead to the USA, China, Taiwan and Japan. In addition to these "regular" transports, NORDEN shipped more than 0.5 million tonnes of road salt extraordinarily from Chile and Australia to the North European countries in January-February this year. This was a direct consequence of the icy winter in Northern Europe, which forced salt buyers and authorities to fill up the stocks of road salt.

Something suggests that buyers and authorities are preparing for yet another harsh winter this year. In any case, NORDEN has already in both Handymax and Panamax booked cargoes of road salt for Northern Europe ahead of the coming winter 2011/2012.

The salt on board a Handymax vessel such as NORD MARINER takes up approximately 1,630 large truck loads.





"THERE IS MORE HOPE NOW"

Danish companies, diplomacy and the royal family join forces in helping Japan after the natural disaster in March. Efforts are primarily aimed at children.

For the first many hours of 11 March, Higashi Matsushima was a peaceful, orderly and bit sleepy coastal town on the island of Honshu in the north-eastern part of Japan. A great deal of the inhabitants were at work in the nearby city Sendai, while the children were in child care centres or at school.

This changed brutally when the town and other areas of the Miyagi prefecture were inundated by the tsunami, which was triggered at 2:46 pm. by a strong earthquake off the coast.

In an instant, the massive waters ruined 9,200 houses and buildings completely or partly in Higashi Matsushima alone. More than half of the 43,000 inhabitants in the municipality were left homeless. Hundreds of people died, others are still missing, and the infrastructure of the town was destroyed.

It is in Higashi Matsushima that the Danish relief effort following the tsunami has been focused. The town was also the main destination when His Royal Highness Crown Prince Frederik visited Japan together with the Danish companies which have contributed to minimizing the consequences of the disaster.

According to the wish of the municipality, the effort has to a large extent been aimed at children. Mayor Hideo Abe – who himself lost family members to the tsunami – explains that the reason for this wish is that schools and child care centres are some of the most important tools in rebuilding normal life. Children carry hope – without schools there is no hope, and without hope there is no future.

Overcome traumas

The child care centre Akai Minami is a fine example of this mindset. The tsunami flooded the care centre, damaged floors and walls, and the enormous pressure of the waters reduced the interior to splinters. The children and child care workers survived by climbing onto the

roof, but several children lost their parents. A Danish donation contributed to a quick cleaning of the child care centre so that once again, it could become the setting of play and games and the safe routine of everyday life, which is so important for the children to overcome their traumas.

The children aged 1-5 years welcomed the Danish delegation with a rhythmic "Goddag-goddag-goddag" ("hello-hello-hello") and waving of the Danish flag. The Crown Prince repaid this welcome by handing out toys paid for with DKK 128,000 collected among NORDEN's employees.

The tsunami left 8 of the municipality's 14 schools in ruins and made it a major task to recreate normal school life – and particularly ensure access to schools for children living in evacuation centres or those whose schools have been destroyed. A donation of DKK 1 million from NORDEN has been used for the operation of 14 busses, ensuring that all children can go to school, i.a. to the Hamaichi Elementary School, which the delegation paid a visit.

Also the foundation Oriens Fond has donated DKK 1 million on behalf of NORDEN, which is part of a "Danish Goodwill Fund" together with funds from other Danish companies. This money will contribute to the financing of a new child care centre which will be named "Andersen's Child Care Center".

Double success

The Danish ambassador in Tokyo, Franz-Michael Mellbin, has followed the rebuilding in Higashi Matsushima at a close range. In March, he was the first ambassador to visit the area and likewise, Crown Prince Frederik was the first representative of a foreign royal family to come to the area.

"When I came here for the first time, people were still weighed down

by the tragedy. Now, they are getting back into everyday life. The re-establishment of for instance school routines has provided a framework pointing in the right direction, and the Japanese are good at organising everyday life. There is more hope now," says the ambassador.

"It means a lot that the Embassy, thanks to donations from NORDEN and other companies, was provided with a platform to form the basis of its work only a few days after the disaster. We literally brought money in bags to those most in need in the area hit, and this made an immediate difference as well as it made others follow suit," says Franz-Michael Mellbin. He calls the effort a double success. Double because people in need received help, and because the Japanese have noticed and appreciated the Danish effort.

CEO Carsten Mortensen says about NORDEN's contribution: "Japan means a lot to NORDEN, and when a close partner is hit by a disaster beyond imagination, it is only natural to show compassion and solidarity. Business and social responsibility go hand in hand in situations like these."

Power supply in crisis

The visit took place approximately 3 months after the disaster – at a time when Japan was still licking its wounds.

In the worst hit areas, bodies are still washing ashore, and approximately 100,000 people live in temporary accommodation. Enormous heaps of waste testify to the magnitude of the destructions, but where the area following the disaster looked like a war zone of wrecked cars, houses, furniture, ships and road material, the waste has now been sorted and is currently being disposed of.

There is still a 20 kilometre no-go zone around the Fukushima nuclear power plant, and residents further away have been evacuated, while workers continue to struggle with cooling the plant's reactors. Toxic radioactive material has been found in both seawater and groundwater, and there is concern among other things that the washing out will increase in connection with the rainy season.

In Tokyo, 225 kilometres to the south, electricity consumption has been wound down through limitations on the use of lifts, air conditioning, etc. Consumption usually peaks when the summer heat prompts the need for extra cooling, but this year the majority of the country's 54 nuclear reactors have been shut down due to extra security measures and concern following Fukushima, and this hits hard in a country where 30% of the energy supply comes from nuclear power. The plan

was even to raise the percentage to 50%, but this ambition evaporated with the meltdown at Fukushima.

Negative growth

Power supply is only one of several major problems. Consumer confidence and demand must be restored after a big dive following the disaster, and the strong yen is still impeding the companies' competitiveness. On the other hand, it looks as though the worst damage to the companies' supply chains has been remedied, and that the companies will increase investments in the second quarter (July-September in Japan).

The state is pumping enormous amounts of money into the rebuilding, and a new disaster budget will soon be presented at the same time as the Bank of Japan is expanding the framework for favourable loans to new growth industries. Both the Bank of Japan, the OECD and the IMF expect some re-establishment of the economy in the second half-year, but not enough to save the year. Thus, the OECD predicts a negative growth rate of 0.9% this year, while the IMF estimates a negative 0.7%. In 2012, the economy is expected to grow driven by the rebuilding.



HRH Crown Prince Frederik handing out toys from NORDEN's employees to the children at the Akai Minami child care centre.

Japan and NORDEN

Since the end of the 1990s, NORDEN has entered into long-term agreements on nearly 100 vessels which have been and are being built at Japanese yards by local shipowners and are often financed by local banks. NORDEN then contracts the vessels for long-term charters after delivery the yards.

NORDEN has itself been building at Japanese yards for 40 years. The activities in Dry Cargo actually started in 1971 with an order for 34,000 dwt. dry cargo vessels from Mitsui Shipbuilding. Since then, a large number of dry cargo vessels and tankers have been built.

The relations with Japan were formed in 1876, when the small steamer m.s. "NORDEN" called at Nagasaki in 1876. Today, Japan is among NORDEN's 10 largest dry cargo markets, and last year the Company transported approximately 1 million tonnes of commodities to the country – mainly grain and coal, but also salt and ore among other things. In Tankers, the activities in Japan commenced in the 1980s

when NORDEN was co-owner of a couple of vessels which transported i.a. naphtha to the country. The activities were expanded as the Tanker Department was established in 1990.

Normalisation

When the disaster struck Japan, some of NORDEN's planned voyages were affected as port facilities had been damaged or because cargoes became inaccessible.

"The situation normalised quickly and the business with Japan is going as planned, but there are not many new projects, and actual growth in the imports of commodities for the rebuilding is yet to be seen," says Executive Vice President Peter Norborg, Head of Dry Cargo.

However, NORDEN has recently entered into an agreement on 12 cargoes of coal to Japan on Panamax vessels over the next 3 years.



FPMC 25 and the sister vessel FPMC 26 have been chartered in for 3 years so far.



Lars Bagge Christensen enjoying good company at the naming of NORD GUARDIAN.

DEVELOPMENT IN TANKERS CONTINUES

Even though freight rates are currently going south, NORDEN continues the expansion of the Tanker fleet. Most recently, 4 newbuildings were contracted and 2 vessels taken on a long-term charter. More vessels are coming.

The most energy efficient and environmentally friendly product tanker vessels carrying NORDEN's colours became a reality when the Company in June ordered 4 MR vessels from the Korean yard STX Offshore & Shipbuilding Co. Ltd.

The vessels will be equipped with an electronic main engine as well as equipment and systems which altogether are expected to make the STX design approximately 15% more fuel efficient and environmentally friendly. When compared to other modern standard vessels, the improvement amounts to 25%. In terms of fuel consumption, this corresponds to daily fuel savings of 4 tonnes per day for each of the new vessels when sailing at normal speed.

"We have come as far as it is financially justifiable in improving an existing and already very efficient vessel design," says Senior Vice President Lars Bagge Christensen, Head of NORDEN's Tanker Department which will receive the new vessels in 2013.

NORDEN's goal is to own at least 25 product tanker vessels in 2013. So far, the Company has pursued this goal by purchasing modern secondhand vessels, but the market prices for secondhand vessels have gone up and it has become harder to find attractive acquisition items. Therefore, NORDEN has started to make use of the opportunities to take over newbuilding contracts in default at the yards and improve the planned newbuildings, making them more fuel efficient and eco-friendly. "Merely contracting new vessels is easy enough. The difficult part is finding the special situations at the yards, but those are the ones we are looking for – whilst still being in the secondhand market," says Lars Bagge Christensen.

3 long-term chartered vessels

Moreover, NORDEN has chartered in the vessels FPMC 25 and FPMC 26 from Formosa Plastics Marine Corp. in Taiwan. These are 2 newly built MR vessels from the Japanese Onomichi yard with a cargo capacity of 50,000 dwt. NORDEN has chartered in the vessels for 3 years with option for additional years, and they will be delivered during autumn when the owner has gone through the required vetting inspections with the oil majors.

Another MR on long-term charter is in the pipeline – a 46,000 dwt. vessel from the Japanese Shin Kurushima yard according to an agreement previously entered into. The vessel is expected to start sailing for NORDEN from December and the contract runs for 7 years. NORDEN has a purchase option on this vessel.

2 owned newbuildings

2 owned 50,500 dwt. newbuildings from the Chinese yard GSI also contribute to the fleet growth. Again, these are MR vessels, emphasising NORDEN's focus on this vessel type. NORDEN took over the first vessel, NORD GAINER, in April and her sister vessel NORD GUARDIAN is expected for delivery at the end of July.

By the end of the year, Tankers' core fleet – owned vessels and long-term chartered vessels with purchase option – is expected to comprise 28 vessels – a doubling in just 2 years. Add to this other chartered vessels the number of which will depend on market outlook and availability of the vessels.

Lower freight rates

The expansion of the fleet continues even though product tanker



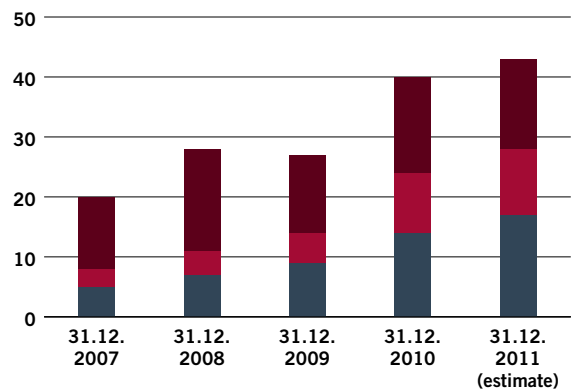
The NORDEN and STX delegations at the signing of the agreement on the 4 newbuildings.

rates have been on a declining trend in recent weeks. After a strong spring with daily rates over the Atlantic reaching USD 20-25,000 – double of last year’s levels – the high oil prices have put a damper on demand. The International Energy Agency (IEA) estimates that global oil consumption will increase by 1.5% this year.

“We keep a steady hand even though rates have gone down. After all, we are not expanding for one single quarter. We are expanding long term for better markets, and we are still expecting rates for the entire 2011 to be better than last year – and that this improvement will continue in future,” says Lars Bagge Christensen.

NORDEN’s analysis remains that supply looks reasonable with a declining global fleet in Handysize as well as minor and decreasing fleet growth in MR. In the long term, demand will be driven by Asia in particular and by changes at the refineries. Refineries in Asia and the Middle East are modernising and expanding, while capacity is being phased out in the western part of the world. As environmental requirements are tightened, Europe and the USA are forced to source more products from the modern refineries in the Middle East and Asia, whereas the older refineries in Europe and the USA are sending more products overseas. Consequently, an increase is seen in trade in and transport of refined products.

Active Tanker fleet



- Owned vessels
- Long-term chartered vessels with purchase option
- Other vessels chartered in

INCREASED VALUE FOR THE OWNERS

Share capital reduced after buyback

NORDEN has reduced its share capital to DKK 43 million by cancelling 1.6 million treasury shares of DKK 1 each. The decision was made at the annual general meeting in April, confirmed by an extraordinary general meeting in May and implemented at the end of June according to the usual deadlines.

The proposal to cancel treasury shares was put forward by the Board of Directors so that “popularly speaking, there will be fewer people to share the cake thereby creating more shareholder value,” which is how Chairman Mogens Hugo put it at the general meeting. At the meeting, the shareholders also carried the proposal to increase the dividend to DKK 8 per share and accordingly distribute a total of

DKK 330 million. As NORDEN earlier this year repurchased treasury shares for DKK 170 million, the Company has thus distributed DKK 500 million to the shareholders this year.

“The past 5 years, NORDEN has distributed more than DKK 3.5 billion to the shareholders through dividends and share buybacks. So I do think that we have a good and consistent story to tell: we create cash returns to the owners, and at the same time NORDEN is able to maintain the financial strength which is so important when you do business in a cyclical industry and want to be able to take advantage of the opportunities in the markets. And that is exactly what we want in NORDEN,” said the Chairman.

43% MORE CREW MEMBERS THIS YEAR

The growth in NORDEN's owned fleet puts Crewing to hard work. Since the turn of the year, the number of officers and seamen on the Company's payroll has gone up by 43% from 570 to 818.

At the end of June, NORDEN had 381 Philippine crew members onboard – 129 officers, 3 cadets and 252 ordinary seamen – in addition hereto come another 36 cadets from Holy Cross of Davao College and 230 officers and seamen at home in a pool of employees recruited through TSM Crewing Department in Manila solely for NORDEN's vessels.

The Danish facet in the fleet comprises 131 officers, 1 ordinary seaman and 36 cadets – partly apprentice officers from the maritime academies SIMAC and MARNNAV, partly students from the schools of marine and technical engineering.

Add to this Indian officers and crew members on a few tankers, but these are employed with the technical manager and are therefore not included in the figures above.

"Naturally, the fleet growth puts us under pressure. The crewing strategy has been challenged, but it stands," says Senior Crew Manager Thomas Skjelmose, Head of Crewing.

In the recent 18 months, NORDEN employed 25% more Danish officers, and the top 4 officers onboard Danish-flagged tankers are at present Danish. But it has been difficult, and the growth is mainly due to the fact that NORDEN has employed more apprentices who have obtained enough sailing experience to become senior officers. On the other hand, it has been difficult recruiting qualified senior officers from outside, but this appears to be changing.

"We have advertised a lot, and the message is beginning to get through: the senior officers can see that we mean business, that NORDEN's fleet is growing and that we have something to offer competent and dedicated officers. It also helps that many are flagging out from Denmark – in any case, we are currently receiving many unsolicited applications," says Thomas Skjelmose.

NORDEN's own officers are front figures in the latest recruitment initiatives



"Der er gode muligheder i NORDEN"

Anders Fink-Jensen
Kaptajn, NORD PRINCESS

VI SØGER SENIOROFFICERER

Vi udvider flåden til 25 egne, moderne produkttankere. Derfor har vi brug for dygtige seniorofficerer med erfaring fra produkt- eller kemikalieskibe.

Vi tilbyder: Gode uddannelses- og karrieremuligheder, løn og vilkår efter kvalifikationer, afvekslende og spændende opgaver, stor indflydelse på hverdagen og korte kommandoveje.

Vi forventer: At du er initiativ, god til at samarbejde, positiv, ambitiøs og indstillet på at lære og li høje kvalitetskrav. Du skal også have gode engelsk og IT-kundskaber samt relevante certifikater.

Hvis du vil arbejde for et finansielt stærkt netværk i vækst, så kontakt Bemandsningsafdelingen på tlf. 3315 0451 / 3271 0842 eller besøg www.ds-norden.com/career/jobbaetna

24*7 SEAS

NORDEN

SAVE ENERGY AND KEEP YOUR PLACE IN THE LINE

The major oil companies and tanker shipping companies glimpse opportunities of major environmental savings with the concept Virtual Arrival and will convene in June to start working on the challenges. NORDEN and the product tanker pool Norient Product Pool are ready with a solution.

Imagine if you could reserve a place in the line at the supermarket and then not show up until it is time to put your groceries on the counter. It sounds utopian; nevertheless it is the main principle in the concept Virtual Arrival (VA). Today, ships may wait in line for several days before they can call at a port and either discharge or load. A number of the world's largest shipowners, operators and oil companies have therefore joined forces to find a solution to use the waiting time more efficiently. The concept behind VA is that the ships can calculate their arrival time by optimum speed and based on this calculation they may reserve a virtual place in line. Instead of sailing at full speed just to end up waiting in line, the ships can spend the time slowsteaming (sailing at a slower speed) and adjust speed according to the time they have reserved for port call. By doing so, the ships can avoid the costly idling period outside the ports and instead save both fuel and reduce CO² emissions.

After 22 months of negotiations on development of the VA frame-

work, the Oil Companies International Marine Forum (OCIMF) and the International Association of Independent Tanker Owners (INTERTANKO) will be launching Virtual Arrival on 28 June. Included on the list of participants among more than 400 oil companies, tanker operators and tanker owners is NORDEN's product tanker operator Norient Product Pool (NPP). NPP has already developed its own system called Norient Reimbursement System (NORS).

"In NORDEN as well as in NPP, we are happy that a broad common initiative is now underway. NORS has been developed parallel to the VA negotiations and is based on the exact same principles, meaning that we are ready, but we have waited for the VA concept to gain support from more parties. VA requires that shipowners, customers and port authorities for that matter agree on the model for the project to succeed. With the meeting on 28 June, we hope that VA can become common practice in future", says Ulla Nielsen, Director of CSR in NORDEN.

EUROPEAN PORTS WANT TO BOOST ENVIRONMENTAL EFFORTS

As a result of comprehensive international endeavours by ports to improve the environment, 5 of Europe's largest ports are now ready to provide energy efficient ships with discounts on port calls. So far, NORDEN has registered 13 product tankers for the project.



The MR vessel NORD SEA calls the port of Amsterdam. She is one of the 13 product tankers NORDEN has registered for the Environmental Ship Index, so far.

Eco-friendly navigation should be rewarded, and ports all over the world play an important role when the shipping industry has to make its contribution to a better climate. At least, this is what 55 of the world's largest ports believe and consequently, they have joined forces in the World Ports Climate Initiative (WPCI), and as centres of transport and economy, they have committed themselves to reducing the emission of greenhouse gases.

Low emission, high discount

An example of a project under the WPCI is the Environmental Ship Index (ESI). ESI measures the total emissions of a ship based on the amount of nitrogen, sulphur, particles and greenhouse gases, and the index is an optional offer for ports and ships wishing to make an effort to reduce the emission of pollutants.

The ports of Amsterdam, Antwerp, Bremen, Hamburg and Oslo are the first to have signed up for the project, and when the scheme really gets underway in the course of the coming year, the ports will provide environmentally friendly ships with discounts on port calls based on ESI calculations. If the emissions of a ship are below or equal to the emissions standards recommended by the International Maritime Organisation (IMO), the discount is given. The further the emissions are below the standards, the more points, and the higher discount, the ship will receive when calling the port.

NORDEN shows support

Besides the 5 ports, so far 243 ships with a valid ESI score have signed up. Of these, 13 are product tankers from NORDEN, which is also expecting to sign up dry cargo vessels in the course of the summer.

"The project is still in embryo, and for the time being, NORDEN's signing up is meant to show support of the initiative of awarding ships that harm the environment as little as possible. The ports are still working on the preparations for using the new system, and the same applies for the shipping companies' efforts to meet the requirements which shipowners and their ships are faced with," says Jens Malund, head of Operations in Norient Product Pool and therefore in charge of the operation of NORDEN's and the pool partner Interorient's tanker vessels.

To be ready when the scheme enters into force in the different ports, NORDEN's next step is a Ship Energy Efficiency Management Plan (SEEMP), which is mandatory in the ESI to obtain points based on the ship's emission of CO₂ and thereby discounts on port calls.

Singapore invests SGD 100 million in eco-friendly navigation

The Maritime and Port Authority of Singapore (MPA) has founded the Maritime Singapore Green Initiative as part of its engagement in the shipping industry's environmental efforts. The ports of Singapore, which every year handle cargoes corresponding to the weight of 93 million Indian elephants (503.3 million tonnes) and tonnage corresponding to 34 million buses (approximately 2 billion tonnes), will through investments of SGD 100 million during the next 5 years complete a total of 3 programmes with each their incentivising effort for eco-friendly navigation:

Green Ship Programme

Discount for eco-friendly ships flying the Singapore flag. Ships performing better than prescribed by IMO's standards are eligible for discounts amounting to 50% of the registration fee and 20% of the tonnage tax.

Green Port Programme

Lower port fees for ships using approved technologies to reduce their emission of pollutants. Ships surpassing MARPOL's standards are eligible for a discount of up to 15% on port fees when they call ports in Singapore.

Green Technology Programme

So far, MPA has earmarked SGD 25 million to cover as much as 50% of the costs of development and implementation of green technologies by local, maritime companies.

FOOTBALL, THE OLYMPICS AND GROWTH

Large oil discoveries and rich reserves of iron ore have made Brazil a major exporter to particularly China and the USA. The growth in Brazil and the neighbouring countries gives NORDEN a strong launch pad in South America.

One of the reasons for the high growth in Brazil is historically large oil discoveries off the coasts.

Both when the referee blows his whistle to open the FIFA World Cup in 2014 and when the Olympic Flame is lit in 2016, it is Brazil who will provide the fields, stadiums and facilities for the visit of several hundred thousand sport enthusiasts.

The two global events require in themselves an expansion of the infrastructure, but this is nothing compared to the investments that are already taking place in the country's commodity sector.

Enormous oil discoveries at sea have made Brazil the world's ninth largest oil producer and a major exporter of oil to the USA. Also China's insatiable appetite for iron ore, of which Brazil has rich reserves, has contributed to increasing Brazil's commodity exports, and there is heavy pressure on the capacity of oil platforms, pipelines, mines, ports and road systems.

Massive investments are being made in new production capacity and better infrastructure – for instance, the mines are expected to spend more than USD 60 billion over the coming years on expanding capacity by approximately 30% and ease access to the ore. This will allow an increase of the export of iron ore to China, which is already Brazil's largest trading partner, and it could have a strong effect on the dry cargo market when taking into account the long transport distances between Brazil and China.

Solid position

When NORDEN's vessels cover the some 14,000 nautical miles from Brazil to Northern China carrying iron ore, the contract has often been entered into by the office in Rio de Janeiro, which is also responsible for a significant part of the business in the other South American countries.

The office was opened in 2003 and has contributed to NORDEN's solid position on this continent. While South America in total is estimated to represent 2% of the global market in dry cargo measured on imported cargo volumes, 8% of NORDEN's transports was destined for South American ports last year. Also activity out of South America is high.

Today, the office focuses exclusively on Dry Cargo, but Tanker is in the process of establishing activity (see separate article). The office has 1 employee in an administrative function and 2 charterers, whereas operations tasks are solved from the USA. Travel activity at the office is high as the goal is to meet with the largest customers in Brazil, Chile, Argentina and Peru 3-4 times a year.

"Our customers are scattered over the entire continent, and we find it very important to develop warm relationships and close partnerships with them. The best way to do this is by meeting face to face several times a year," says Chartering Manager Rasmus Saltofte.

Mines and mills

NORDEN's office in Rio de Janeiro supports chiefly the mining industry, steel mills, agriculture and power plants with transports in and out of South America.

Outgoing, iron ore represents significant activity for NORDEN with the transports from Brazil to the Far East, and particularly China. From Brazil are also shipped soya beans and occasionally sugar, from Argentina grain products, and from Chile i.a. considerable amounts of salt particularly for the USA (see the article on page 3). To this can be added coastal transports, for instance coal from



The iron ore from the major mines in Brazil is used for the production of iron and steel.

Columbia to Chile. NORDEN has a vessel permanently employed in coastal dry cargo transports.

Ingoing, NORDEN has a good grip on the increasing import of especially coal, grain and fertilizer to the South American continent. While Brazil altogether is the most important dry cargo market for NORDEN in South America, Chile is the Company's biggest import market followed by Brazil and Peru.

Continued growth

Precisely Chile is a good example of growth in South America being widespread and not only centered around Brazil. Both this year and last, it was estimated that Chile's GDP will grow by 5.2% according to the International Monetary Fund (IMF).

However, Brazil is undeniably the largest and most trade-orientated economy on the continent. Last year, South America's most populous country was no. 9 on the list of the world's largest economies with a GDP of more than USD 2 trillion, soaring exports and imports as well as a growth rate of 7.5%. This was the highest growth in 25 years, and it bore strong witness to the fact that the country was recovering quickly from the financial crisis due to the high commodity prices, stringent focus on inflation, public expenditure restraint and a flexible currency.

This year, the pace has gone down somewhat as Brazil is also affected by the slowdown in the global economic growth. In its June outlook report, IMF predicts a growth rate of 4.1% in Brazil in 2011, while the growth rate for the whole of South America is expected to amount to a strong 4.7%. South America thus remains one of the engines of the global economy.

Norient opens office

Norient Product Pool, which operates NORDEN's product tankers, has turned its attention to the expanding market in South America and is now opening an office in Rio.

"We already have some business in South America, and based on the current growth in oil transports both to and from Brazil and its neighbouring countries, we spot a need for local representation, thereby offering our customers easier access to us," says CEO Søren Huscher.

Norient's business in South America is chiefly focused in the spot market with both imports and exports of refined oil and vegetable oil to and from countries such as the USA and China. Norient has also made a few period charters, i.a. for Brazil's state-run oil company Petrobras.

The date for the office opening has not yet been fixed, but Norient is currently looking for the right person to head the office, which will share the address with NORDEN in Rio.



Rasmus Saltofte (on the right) welcoming the Danish Minister for Economic and Business Affairs Brian Mikkelsen during his visit in Brazil.

Management reshuffle in Rio

On 1 November, Rasmus Saltofte will assume management of NORDEN's office in Rio de Janeiro. After 18 months locally as Chartering Manager, he has become familiar with the language, culture, customers and markets, and he is therefore well prepared for the new challenges.

"It is definitely an advantage that I have had plenty of time to acquaint myself with the activities, and especially that I have had the opportunity to meet our customers and build good relationships around the office. The South American culture is very different from the cultures in both Europe and Asia. Brazil is quite unique, and it is exciting to be part of it," says Rasmus Saltofte.

He was "raised" in NORDEN and graduated as a trainee in 2007. Hereafter, he went to Singapore for 18 months and returned to Hellerup for a short period of time before he set the course for Brazil in 2009. He will take over from Mark Neumann, who after 4 years and 6 months managing the Rio office is heading back to Hellerup to a position as Senior Chartering Manager in Post-Panamax.

NORDEN NOTES



NORD EL – NORDEN's smallest newbuilding

Not only was it the first summer day of the year, it was also the first day in the life of NORDEN's smallest newbuilding, the brand new electric car NORD EL, when the naming ceremony took place on 1 June at "Tuborg Harbour dry dock".

NORD EL is part of Europe's largest electric car trial, initiated by the Danish-owned company ChoosEV (*Electric Vehicle*). The project will provide Europe with more knowledge on the use of electric cars. NORDEN is co-sponsor of 10 other electric cars, which test drivers in the municipality of Gentofte will be driving for the next 2 years.

Godmother Laura Rosholm is getting into the driver's seat of NORD EL for the first time.



Mentors to ensure NORDEN's talent pipeline

A couple of hot days in June in the board room at the head office in Hellerup provided the setting for NORDEN's first mentor seminar. As NORDEN has established its own trainee programme, focus has been put on defining and strengthening the role of the mentors. 20 NORDEN employees with at least 3 years' seniority have therefore recently been appointed, and most of them participated in the mentor seminar in order to be trained in the new mentor role which is central to the education of NORDEN's future workforce.

Hansen's heavenly half-year

Some splendid first six months have secured golf player Anders Hansen his best rank so far in the league tables. By mid-June, he had jumped from number 70 to number 37 in the Official World Golf Ranking, and he finished as number 6 in Race to Dubai (the players who this year have won most prize money in the European Tour). Following a busy spring with three top 3 rankings, Anders Hansen, sponsored by NORDEN, decided to skip US Open to relax and recharge the batteries for the coming tournaments. In autumn, he will take part in NORDEN Invitational, the Company's tournament for customers and partners in Japan.





Developing NEWS

217 shareholders, employees, journalists, brokers and other readers of NORDEN News provided valuable input for the magazine's development in the readers' survey conducted this spring.

The readers are generally quite satisfied with format and frequency, though 1 in 5 would like more issues or additional online news. Articles and layout achieve the best or second best grading from 3 out of 4 readers, and in total the magazine scores 2.2 on a 1 to 5 scale, 1 being the best.

Topping the readers' favourites are articles on new contracts, brief news, purchase/sale of vessels and market news. On the other hand, there are opposing opinions when it comes to employee portraits, employee news, etc., of which the employees would like more, whereas the shareholders prefer less in-house news.

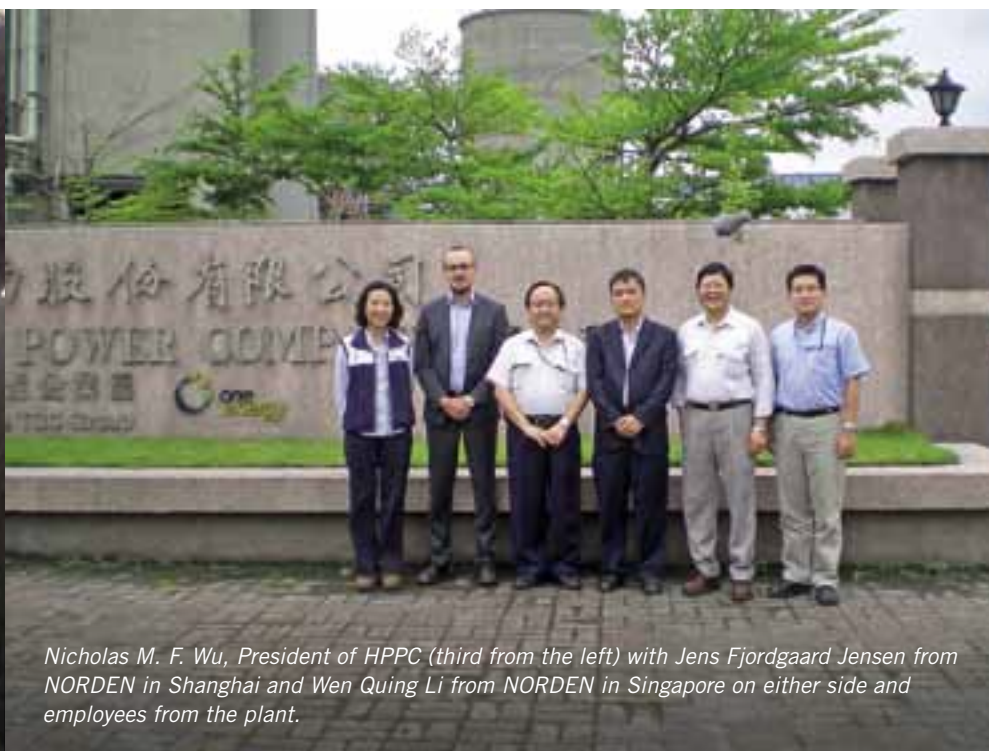
"We have received some useful tools with which we can improve the magazine. The plan is to gradually place in-house stories on a new dialogue-based Intranet and then have NEWS focus even more on the business of NORDEN. But the goal remains the same; that both shareholders, employees and others will find the magazine interesting," says Vice President Hans Bøving from Communications.

Winners on both sides of the negotiation table

Cases, role playing, video recording and subsequent feedback are some of the tools used when NORDEN's employees are trained in negotiation technique. In the course of the year, external negotiation experts head a number of courses at which the participants learn what it takes to create great results and a positive negotiation situation between two parties. Openness, flexibility and specific valuation of all elements in the negotiations are some of the key techniques required to obtain satisfactory results for both negotiating parties. 80 employees have completed the training and an additional 40 are expected to complete the courses before the end of 2011. The training is part of NORDEN's efforts to strengthen the employees in terms of dialogue, teamwork and value creation.



The coal is stored in 4 silos, each with a capacity of approximately 170,000 mts.



Nicholas M. F. Wu, President of HPPC (third from the left) with Jens Fjordgaard Jensen from NORDEN in Shanghai and Wen Quing Li from NORDEN in Singapore on either side and employees from the plant.

First coal cargo to Taiwan

The shipments under NORDEN's largest COA ever were initiated in May when a chartered vessel delivered the first cargo of coal to Ho-Ping Power Company's (HPPC) modern 2x660 MW power plant in northern Taiwan. The plant is situated close to a major nature reserve

and is therefore under very strict environmental requirements for operations and storing of the coal. During the next 15 years, NORDEN will ship more than 15 million tonnes of coal to the plant – corresponding to 14 annual shipments in Panamax.

CHANGE OF GUARD AT NORIENT'S OFFICE IN ANNAPOLIS

Variety is the spice of life and sharpens your senses, and so at the annual handing out of “pats on the back” and new challenges to the employees in NORDEN’s 50%-owned product tanker pool, there was an exchange of managers between the Hellerup and Annapolis offices.

New Head of the office and newly appointed Director in Annapolis is Jesper Rask, who is transferring from a position as General Manager in Norient’s Chartering Department. He will replace Thomas Hechmann, who after 3 years in the US will return to the head office in Hellerup in a position as Director and Commercial Head of Spot Chartering.

“Thomas has done a fantastic job as Head of the Annapolis office. He has headed the development of our activities in the US and has built a strong brand around Norient among our American customers. Now we are looking forward to benefitting from Thomas’ strengths back home in Hellerup, and we wish Jesper the best of luck with the new challenges on the other side of the Atlantic”, says Søren Huscher, CEO of Norient Product Pool.

Operations Manager in Annapolis, Benedicte Wegener, will also return to Denmark, where she has been appointed Senior Operations Manager and Team Leader of Large Operations. In Annapolis, she

will be replaced by Per N. Pedersen, who can put the title of Senior Operations Manager and Head of Operations on his card when leaving for the US.

Also at the Singapore office, new titles – but no new faces – have made way to management. Allan Wodstrup, who has headed the office as General Manager since autumn 2010, is now appointed Director.

“Allan has managed to put together a strong team in Singapore with a positive team spirit, and he has created a solid basis for growing our activities in Asia”, says Søren Huscher about the appointment.

In addition, as per 1 July, Head of Operations at the Singapore office, Nikolaj Lambertsen, will be appointed Senior Operations Manager.



Jesper Rask

Jesper Rask is shipping trained in A. P. Møller Mærsk, where he was employed for 14 years gaining experience within both operations and chartering in the

tanker department of the company. Jesper came to Norient as Senior Chartering Manager in 2007 and was appointed General Manager in 2009. In August, he will leave Denmark and head for the US, where he will occupy the position as Head of the Annapolis office from 1 August.



Thomas Hechmann

Thomas Hechmann was shipping trained in A. P. Møller Mærsk in the years 1998-2000. He was employed as Assistant Chartering Manager in Norient in

2005, when the product tanker pool was founded. He worked here until 2008, when Norient took the decision of establishing an office in Annapolis. Thomas was appointed to head the start-up as General Manager and Head of the office. From 1 September, Thomas will occupy the position as Director and Commercial Head of Spot Chartering in Hellerup.



Allan Wodstrup

Allan Wodstrup is shipping trained in the Mercandia organisation, and after completion of his training in 1994, he began working in a Danish-Russian shipbro-

ker and operations company. Allan joined NORDEN’s Tanker Department in 2000, and when the Company in 2005 joined forces with Interorient Navigation Company Ltd. in the establishment of Norient Product Pool, he transferred to the new company as a charterer. Since autumn 2010, he has headed the activities of the pool in Singapore. His appointment to Director will enter into force on 1 July.



Laura Rosholm



Jacob Kragh



Stephan Skovgaard Jensen

EMPLOYEE NEWS

Corporate functions

6 June 2011: *Andreas Kleissl*, 30, IT Services & Support. New employee.
10 June 2011: *Troels L. Johansen*, Student Assistant, Corporate Secretariat. 3 months temp.

Technical Department

2 March 2011: *Maria Havana*, Secretary, TSM Crewing, Phillippines. New employee.
11 April 2011: *Martin Houmøller*, 40, QA Manager. New employee.
26 April 2011: *Mads Simoni*, 21, Student Assistant. New employee.
2 May 2011: *Jon Iver Knudsen*, 45, Superintendent. New employee.

Dry Cargo Department

23 May 2011: *Charlotte Jensen*, Controller. 6 month temp.
1 June 2011: *Mikkel Marconi*, 27, Assistant Bunkers Manager. New employee.
1 November 2011: *Mark Bastian Neumann*, Senior Chartering Manager, Cape/Post Panamax. Transfer from Rio.

Rio

1 November 2011: *Rasmus Saltofte Jacobsen*, Chartering Manager. Promotion to General Manager.

Norient Product Pool Hellerup

16 May 2011: *Louise McKenzie*, Assistant Operations Manager. Transfer from Annapolis.
1 July 2011: *Thune Jensen*, Senior Operations Manager. Promotion to General Manager.
1 July 2011: *Benedicte Wegener*, Operations Manager. Transfer from Annapolis and promotion to Senior Operations Manager and Team Leader of Large Operations Team.
1 September 2011: *Thomas Hechmann*, Director. Transfer from Annapolis to a position as Director and Commercial Head of spot chartering.

Singapore

27 April 2011: *Roger Ng*, 46, Operations Manager. New employee.
1 July 2011: *Nikolaj Lambertsen*, Operations Manager. Promotion to Senior Operations Manager and Head of Operations.
1 July 2011: *Allan Wodstrup*, General Manager. Promotion to Director.

Cyprus

23 May 2011: *Maria Hadjimama*, 42, Disbursement Controller. New employee.

Annapolis

9 May 2011: *Anders T. Jensen*, Operations Manager. Transfer from Hellerup.

23 June 2011: *Per Navndrup Pedersen*, Operations Manager. Transfer from Hellerup and promotion to Senior Operations Manager and Head of Operations.
1 August 2011: *Jesper Rask*, General Manager. Promotion to Director and Head of the Annapolis office.

NORDEN's vessels

30 March 2011: *Allan Mortensen*, 47, 2nd Engineer. New employee.
11 April 2011: *Erling Joensen*, 37, 2nd Officer. New employee.
1 May 2011: *Andreas Poulsen*, 31, Chief Officer. New employee.
9 May 2011: *Morten Bastrup Kold*, 29, 3rd Engineer. New employee.
19 May 2011: *Morten Brix Østergaard*, 37, Chief Officer. New employee.
8 June 2011: *Jan Bowie Rasmussen*, 53, Chief Officer. New employee.
16 June 2011: *Martin Schmidt Nørgaard*, 40, Chief Officer. New employee.
20 June 2011: *Peter Hansen*, 42, Chief Steward. New employee.
24 June 2011: *Jørn-Ole Smidt*, 58, Chief Steward. New employee.
15 July 2011: *Rasmus Hundebøll Sørensen*, 35, Chief Officer. New employee.
15 July 2011: *Jakob Holm*, 52, Chief Officer. New employee.
1 Sep 2011: *Anders Christensen*, 27, 2nd Officer. New employee.

NORDEN congratulates

3 Shipping Trainees graduate on 31 July 2011

Hellerup

1 August 2011:
Laura Rosholm transfers to Annapolis as Assistant Operations Manager, Dry Cargo.

1 November 2011:

Jacob Kragh transfers to Rio de Janeiro as Assistant Chartering Manager, Dry Cargo.

Stephan Skovgaard Jensen has decided to change his career direction and go to sea to start with.

Congratulations to all three.

Celebrations

Corporate functions

4 May 2011: *Sture Freudenreich*, Director and Manager of IT Department. 40 years birthday.

Dry Cargo Department

1 August 2011: *Finn Sørensen*, Senior Chartering Manager. 30 years anniversary.

Annapolis

9 June 2011: *Claus B. Jensen*, Port Captain. 50 years birthday.
1 August 2011: *Jesper W.L. Pedersen*, Senior Chartering Manager. 10 years anniversary.

Norient Product Pool Hellerup

15 May 2011: *Jesper Rask*, General Manager. 40 years birthday.

Singapore

4 June 2011: *Ha Wai Li*, Senior Chartering Manager. 40 years birthday.

NORDEN's vessels

5 April 2011: *Fritz Troels Frederiksen*, Chief Officer. 50 years birthday.
23 May 2011: *Carsten Nuka Broberg*, 2nd Engineer. 40 years birthday.
21 June 2011: *Steen Wessel*, Chief Engineer. 50 years birthday.
28 June 2011: *Lars H.D. Larsen*, Chief Engineer. 50 years birthday.
28 June 2011: *Lars Risager Hannibal*, Chief Officer. 50 years birthday.
13 July 2011: *Brian Schlosser*, Fitter 40 years birthday.



Ms Tan Beng Tee, Group Director of International Maritime Centre, Maritime and Port Authority of Singapore (MPA)(read about their Maritime Singapore Green Initiative on page 9), Mr Ronald Kuok Meng Chien, Senior Manager, Handy, PCL (Shipping) Pte.Ltd., Mr Nori Fumi Yamamoto, CEO, Celeste Shipping, and an employee of Celeste Shipping.

140 years

375 guests, including many of NORDEN's largest customers and business partners, enjoyed food, drinks and jazz music.



NORDEN celebrated its 140 years in historical surroundings in Asia

With a difference of 16 years, NORDEN was the bigger brother when checking into the 124-year old Raffles Hotel in Singapore which is otherwise very rich in history and traditions.

Peter Borup, Managing Director, NORDEN Shipping Singapore, hosted the well-attended event on the occasion of a slightly delayed celebration of NORDEN's birthday.

Peter Borup, Managing Director, NORDEN Shipping Singapore, Michael Harvey, Head of Shipping, Rio Tinto.

