



Interim report - first quarter 2006

The first quarter - highlights

- The profit for the first quarter was USD 55 million, including profits from the sale of vessels of USD 25 million and fair value adjustment of certain hedging instruments of USD 3 million. In the same period last year, the profit was USD 80 million, including profits from the sale of vessels of USD 19 million and fair value adjustment of certain hedging instruments of USD 11 million.
- The profit has been obtained in declining freight markets for dry cargo as well as tanker, which were below the levels for the same period last year by 47% and 9%, respectively, and in this light, the result is considered satisfactory.
- In the first quarter, the Company's operation generated a positive cash flow of USD 34 million. The total amount of cash and cash equivalents was increased by USD 25 million.
- The Dry Cargo Department's profit was USD 49 million, including profits of USD 25 million from the sale of vessels, while the Tanker Department's profit was USD 12 million, not including any profits from the sale of vessels.
- Due to the Company's strategy of securing long-term employment of the vessels, NORDEN's earnings were higher than they were in the spot market for all 3 dry cargo segments. In the largest segment - Handymax - NORDEN's earnings were 13% above the spot market.
- As at 31 March, the Company's fleet is estimated to have an added value of USD 264 million, including the value of 8 owned new-buildings, compared to the book value of the vessels and the newbuilding price estimates.
- In 2006, NORDEN still expects a result in the range of USD 120-140 million, including profits from the sale of vessels of USD 39 million and a negative fair value adjustment of certain hedging instruments of USD 19 million.

Mogens Hugo Jørgensen
Chairman of the Board

Carsten Mortensen
President

Today at 12.00 hours (CET), NORDEN will hold a telephone conference where CEO Carsten Mortensen and CFO Jens Fehr-Christensen will comment on the first quarter and the expectations for the whole year. By 11.55 (CET) at the latest, Danish participants should dial +45 70265040 while participants from abroad should dial +44 20 7769 6432. The telephone conference can also be followed live at www.ds-norden.com where the accompanying presentation also is available.

Further information: President Carsten Mortensen, tel. +45 33 15 04 51.





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Financial highlights and key ratios

The interim report is prepared in accordance with the International Financial Reporting Standards (IFRS) and additional Danish disclosure requirements for interim reports of listed companies. The accounting policies are the same as applied to the annual report for 2005.

| USD'000 | 2006 | 2005 | Change | |
|---|-----------------|-----------------|-------------------------------|------------------|
| | 1/1-31/3 | 1/1-31/3 | 1st quarter | 2005 |
| | | | 2005-2006 | 1/1-31/12 |
| INCOME STATEMENT | | | | |
| Freight income (revenues) | 254,856 | 343,501 | -26% | 1,296,457 |
| Costs | -220,123 | -284,245 | -23% | -1,080,535 |
| Profit before depreciation (EBITDA) | 34,733 | 59,256 | -41% | 215,922 |
| Profits from the sale of vessels, etc. | 25,146 | 19,465 | 29% | 120,104 |
| Depreciation | -4,419 | -3,957 | 12% | -16,291 |
| Share of result of joint ventures | 564 | -30 | 1980% | 8,277 |
| Profit from operations (EBIT) | 56,024 | 74,734 | -25% | 328,012 |
| Fair value adjustment of certain hedging instruments | 3,281 | 11,106 | -70% | 25,965 |
| Net finance | 2,522 | -3,938 | 164% | -8,084 |
| Profit before tax | 61,827 | 81,902 | -25% | 345,893 |
| Profit for the period | 54,728 | 80,361 | -32% | 336,336 |
| Profit for the period (NORDEN's share) | 54,704 | 80,098 | -32% | 336,018 |
| Profit for the period (Minorities' share) | 24 | 263 | -91% | 318 |
| CASH FLOWS | | | | |
| From operating activities | 33,821 | 108,936 | -69% | 244,686 |
| From investment activities, including vessels | 25,807 | 5,227 | 394% | 10,106 |
| From financing activities | -34,548 | -48,120 | -28% | -76,014 |
| Change in cash and cash equivalents for the period | 25,080 | 66,043 | -62% | 178,778 |
| KEY FIGURES FOR THE BALANCE SHEET | | | | |
| Non-current assets | 351,584 | 238,807 | 47% | 361,597 |
| Total assets | 796,002 | 564,180 | 41% | 821,531 |
| Equity (including minority interests) | 663,039 | 393,744 | 68% | 611,203 |
| Non-current liabilities | 82,347 | 88,564 | -7% | 69,260 |
| Current liabilities | 50,616 | 81,872 | -38% | 141,068 |
| FINANCIAL AND ACCOUNTING RATIOS | | | | |
| Number of shares (excl. treasury shares) | 2,166,706 | 2,167,826 | 0% | 2,161,985 |
| Earnings per share (EPS), USD (DKK) | 25.2 (156) | 35.9 (203) | -30% | 153.4 (921) |
| Diluted earnings per share (diluted EPS), USD (DKK) | 25.2 (156) | 35.6 (202) | -29% | 152.3 (914) |
| Intrinsic value per share (excl. treasury shares), USD (DKK ¹) | 305 (1,880) | 181 (1,042) | 69% | 282 (1,781) |
| Equity ratio | 83.0% | 69.4% | 20% | 74.1% |
| Share price at year-end, DKK | 2,709 | 3,245 | -17% | 2,959 |
| Share price/intrinsic value ² | 1.44 | 3.11 | -54% | 1.66 |
| Net Asset Value per share excl. purchase options for vessels, USD (DKK ¹) | 427 (2,631) | 301 (1,734) | 42% | 395 (2,500) |
| Net interest-bearing debt, USD | -254,246 | -101,279 | 151% | -201,560 |
| Invested capital, USD | 408,793 | 292,465 | 40% | 409,643 |
| Average USD rate | 620.70 | 567.62 | 9% | 600.34 |
| USD rate at year-end | 616.52 | 576.93 | 7% | 632.41 |

¹) Translated to the USD/DKK rate at end-period.

²) Intrinsic value is calculated as equity (excl. minority interests) in USD translated to the USD/DKK rate at end-period.

The key figures and ratios are calculated in accordance with guidelines issued by the Danish Association of Financial Analysts 2005 (Anbefalinger og Nøgletal 2005).



Comments on the development of the period for the Group

Activity and earnings

In the first quarter, the Company achieved freight income of USD 255 million, a 26% decrease. The decrease, which was as expected, can be attributed to a combination of lower freight rates and fewer ship days. On average, the dry cargo market was thus 47% below the same period last year while the tanker market was 9% below.

In the first quarter, the number of ship days decreased by 9% to 10,146 compared to the same period last year.

In the first quarter, the profit before depreciation and profit from sales (EBITDA) amounted to USD 35 million (USD 59 million).

Profit from operations (EBIT) amounted to USD 56 million (USD 75 million) in the first quarter, including profits of USD 25 million (USD 19 million) from the sale of 2 Handymax bulkcarriers.

Fair value adjustment of certain hedging instruments amounts to USD 3 million net (USD 11 million), of which USD 5 million relate to bunker hedging contracts and USD -2 million relate to Forward Freight Agreements (FFAs). For the period, covering the remainder of 2006-2009, the fair value adjustment of open bunker hedging contracts amounts to USD 7 million, and in connection with the FFAs, covering the remainder of 2006, USD 2 million. For further details kindly see the section "Income statement".

Financial items contributed by USD 3 million net (USD -4 million). The increase compared to last year is due to a combination of lower interest costs on vessel loans, increased interest income on bank deposits and profit on exchange.

The Company's interest rate risk with regard to long-term debt has been hedged for a period of 3.6 years at an interest rate of 4.6%, including lenders margin.

Profit for the first quarter was USD 55 million (USD 80 million). The result yields a rate of return on equity of 34% (p.a.). The profit has been achieved in a declining market and meets the expectations.

Expansion of the fleet

The Company continues its planned expansion of the fleet and has, during the first quarter, entered into agreements for another 5 long-term charters with purchase options as follows:

| Vessel type | Delivery |
|-------------------------|----------|
| <i>Dry Cargo:</i> | |
| 1 Handymax | 2008 |
| <i>Tanker:</i> | |
| 1 Product tanker - MR | 2009 |
| 3 Product tankers - MR* | 2010 |

*Of which 2 are part owned.

Furthermore, the Company has taken delivery of 1 Handymax bulkcarrier for which the purchase option was declared in 2005, and at the end of the first quarter, the Company thus has a total of 60 long-term chartered vessels with purchase options, of which 24 have been delivered. All purchase options are in-the-money.

Afterwards, 1 additional purchase option of 1 Handymax bulkcarrier has been declared with expected delivery during the third quarter.

The 2 Handymax bulkcarriers, agreed to be sold at the end of 2005, were delivered to the new owners during the quarter. The Company has sold 1 additional Handymax bulkcarrier for delivery during the second quarter, when the profit of USD 14 million before tax will be recognised.

At the end of the first quarter, the Company had 10 owned vessels and 8 newbuildings as follows:

| Owned vessels as at 31 March 2006 | |
|-----------------------------------|-----------|
| Aframax | 2 |
| Product tanker - SR | 2 |
| Total Tanker Department | 4 |
| Capesize | 1 |
| Panamax | 1 |
| Handymax | 4 |
| Total Dry Cargo Department | 6 |
| Total | 10 |

| Newbuilding programme as at 31 March 2006 | | |
|---|------------------------------|---------------|
| | Delivery | Ownership (%) |
| Tanker Department | | |
| Product tanker - SR | 2 nd quarter 2006 | 100 |
| Product tanker - SR | 4 th quarter 2006 | 100 |
| Product tanker - SR | 2 nd quarter 2007 | 100 |
| Product tanker - SR | 3 rd quarter 2008 | 100 |
| Product tanker - SR | 3 rd quarter 2008 | 100 |
| Dry Cargo Department | | |
| Handymax | 3 rd quarter 2006 | 100 |
| Handymax | 1 st quarter 2008 | 50 |
| Handymax | 2 nd quarter 2008 | 100 |



Cash flows

The Company's available funds increased during the first quarter by USD 25 million and amounted to USD 338 million as at 31 March 2006. During the quarter, the Company's operations generated a positive cash flow of USD 34 million, whereas investments and financing activities contributed by USD 26 million and USD -35 million, respectively.

The investment activities consist of proceeds from the sale of vessels of USD 73 million and investment in vessels and new-buildings of USD 47 million (including joint venture newbuilding). The financing activity primarily relates to net repayment on debt of USD 31 million and the acquisition of treasury shares of USD 4 million.

Equity

The Company's equity amounted to USD 663 million as at 31 March 2006 and has, this year, thus been increased by USD 52 million or 8%.

The change in equity primarily comprises the profit for the period of USD 55 million and write-down in connection with the acquisition of treasury shares of USD -3 million.

Fleet related added value

As at 31 March, the Company's fleet and the orders for 8 new-buildings are estimated to represent an added value of USD 264 million compared to book value of the vessels and newbuilding prices. This corresponds to USD 122 (DKK 751) per share, excluding the Company's stock of treasury shares. Net asset value per share is hereafter USD 427 (DKK 2,631) per share. Furthermore, the Company's purchase options on long-term chartered vessels are estimated to have a considerable non-entered value.

Equity development, 1 January - 31 March

| USD'000 | 2006 | 2005 |
|-------------------------------------|----------------|----------------|
| Equity at 1 January | 611,203 | 340,077 |
| Adjustment of hedging instruments | 415 | 3,043 |
| Profit for the period | 54,728 | 80,361 |
| Acquisition/sale of treasury shares | -3,338 | -29,768 |
| Share-based incentive programme | 31 | 31 |
| Equity at year-end | 663,039 | 393,744 |





Highlights by segments

| USD'000 | First quarter 2006 | | | | First quarter 2005 | | | |
|--|--------------------|---------------|---------------|---------------|--------------------|---------------|---------------|---------------|
| | Dry Cargo | Tanker | Not allocated | Total | Dry Cargo | Tanker | Not allocated | Total |
| Freight income | 225,285 | 29,571 | - | 254,856 | 309,933 | 33,568 | 0 | 343,501 |
| Costs | -202,300 | -16,509 | -1,314 | -220,123 | -264,648 | -18,407 | -1,190 | -284,245 |
| Profit before depreciation (EBITDA) | 22,985 | 13,062 | -1,314 | 34,733 | 45,285 | 15,161 | -1,190 | 59,256 |
| Profits from sale of vessels, etc. | 25,150 | 0 | -4 | 25,146 | 19,465 | 0 | 0 | 19,465 |
| Depreciation | -2,347 | -1,687 | -385 | -4,419 | -935 | -2,698 | -324 | -3,957 |
| Share of result of joint ventures | -8 | 572 | 0 | 564 | 0 | -30 | 0 | -30 |
| Profit from operations (EBIT) | 45,780 | 11,947 | -1,703 | 56,024 | 63,815 | 12,433 | -1,514 | 74,734 |
| Fair value adjustment of certain hedging instruments | 3,281 | 0 | 0 | 3,281 | 11,106 | 0 | 0 | 11,106 |
| Net finance | - | - | 2,522 | 2,522 | - | - | -3,938 | -3,938 |
| Profit before tax | 49,061 | 11,947 | 819 | 61,827 | 74,921 | 12,433 | -5,452 | 81,902 |
| Profit for the period | 49,061 | 11,947 | -6,280 | 54,728 | 74,921 | 12,433 | -6,993 | 80,361 |



Dry Cargo

Market trends

In the first quarter, the freight market was 47% below the same period last year measured by the Baltic Dry Index. Compared to the fourth quarter 2005, there is a 16% decrease. The level, however, is still 26% above the average for the last 10 years.

The rate decrease has not been as strong as predicted by many market participants at the beginning of 2006. This can be attributed to the fact that the global economic growth still is at a relatively high level. During the first quarter of 2006, the Chinese import of iron ore thus increased by 28% and the total Chinese import of raw materials increased by 20%.

The tonnage supply still grows due to a large number of added newbuildings and the very low scrapping activity. RS Platou estimates that the supply has been increased by 6.9% compared to the same period last year, while demand only increased by 1.8% - measured by ton-mile.

As to prices for secondhand tonnage with immediate delivery, the decreasing trend in the fourth quarter of 2005 continued through the beginning of the year but has started to increase again over the past few months. Especially the development in the Company's largest segment - Handymax - has been positive, and today, the prices are approximately 10% higher than at the turn of the year.

The trend for newbuilding prices in all segments has been slightly declining.

Financial highlights

In the first quarter, the Dry Cargo Department achieved a profit from operations (EBIT) of USD 46 million (USD 64 million), including profits from the sale of vessels of USD 25 million (USD 19 million).

Due to the Company's strategy of securing long-term employment of the tonnage, NORDEN achieved higher earnings than the average spot market in all the Dry Cargo Department's segments.

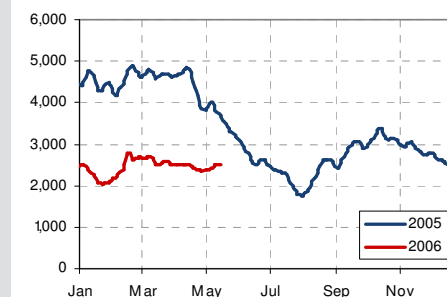
In the Capesize segment, all 4 active units were chartered out on long-term charters at T/C equivalents 12% above the spot market and 8% above the same period last year. In the Company's 2 main segments - Panamax and Handymax - the average T/C equivalents decreased by 44% and 35% compared to the first quarter of 2005, while earnings were above the spot market by 13% and 4%, respectively.

The capacity - measured by the number of ship days - decreased by 8% compared to the same period last year and by 12% compared to the fourth quarter of 2005. The decrease in capacity can be attributed to a lower number of vessels chartered for short and medium-long periods. The Dry Cargo Department has estimated that the pricing of these vessels has become less attractive as owners and charterers demand an extra fee to relinquish tonnage control in the spot market. It is estimated that this basic market condition will remain as long as the volatility in the freight market is high and there is a high degree of money availability and thus willingness to take risks amongst investors in the dry cargo market. Due to this, the expansion of the Dry Cargo Department's capacity will, to a large extent, be achieved by entering into long-term charters and contracting owned tonnage.

Employment and rates, dry cargo

| | Number of ship days NORDEN | | | | |
|----------------------------|-------------------------------|----------------------|-----------------------|-------------------------|---------------------|
| | Incl. single voyages | Excl. single voyages | T/C equivalent NORDEN | Spot T/C average market | NORDEN T/C vs. spot |
| 1Q 2006 | | | | | |
| Capesize | 373 | 373 | 38,659 | 34,551 | 12% |
| Panamax | 2,749 | 2,195 | 19,243 | 17,007 | 13% |
| Handymax | 5,693 | 4,848 | 17,065 | 16,478 | 4% |
| 1Q 2005 | | | | | |
| Capesize | 270 | 270 | 35,710 | 69,888 | -49% |
| Panamax | 3,111 | 2,426 | 34,072 | 36,853 | -8% |
| Handymax | 6,247 | 5,495 | 26,346 | 27,640 | -5% |
| 1Q 2006 vs. 1Q 2005 | | | | | |
| Capesize | 38% | - | 8% | -51% | |
| Panamax | -12% | -10% | -44% | -54% | |
| Handymax | -9% | -12% | -35% | -40% | |

Baltic Dry Index



*Fleet changes and employment*

| Fleet – Dry Cargo Department | | |
|--|-------------|--------------|
| | 2006 | 2005 |
| Active fleet | 31/3 | 31/12 |
| Owned vessels | 6 | 7 |
| Chartered vessels with purchase options | 21 | 17 |
| Core fleet | 27 | 24 |
| Chartered vessels without purchase options | 75 | 86 |
| Active total | 102 | 110 |
| Vessels for delivery | | |
| Newbuildings | 3* | 3 |
| Chartered vessels with purchase options | 26 | 30 |
| Chartered vessels without purchase options | 1 | 2 |
| For delivery total | 30 | 35 |
| Gross fleet total incl. newbuildings | 132 | 145 |
| Of which vessels with purchase options total | 47 | 47 |

*Of which 0.5 has been sold.

The Dry Cargo Department's active core fleet expanded by 3 units to 27 during the quarter. The core fleet is defined as owned vessels and long-term chartered vessels with purchase options. The Company took delivery of 5 newbuildings on long-term charter with purchase options, while 2 sold units were delivered to the new owners.

The number of vessels for delivery was reduced by 4 units to 31 due to the delivery of the 5 newbuildings to the active fleet and the contracting of 1 additional Handymax bulkcarrier on long-term charter with purchase option for delivery in 2008.

During the remainder of 2006, the Dry Cargo Department will take delivery of another 8 newbuildings on long-term charter with purchase options and 1 owned vessel.

Furthermore during the quarter, the Dry Cargo Department has declared a purchase option on 1 Panamax bulkcarrier and sold 1 Handymax bulkcarrier, both for delivery in the second quarter of 2006.

In the first quarter, NORDEN entered into a new joint venture with Japanese interests, and this 50/50 joint venture assumed a NORDEN contract on 1 Handymax newbuilding from Chinese yard for delivery in 2008.

Further, the Company entered into a cooperation agreement regarding the employment of 1 Panamax bulkcarrier over a 10-year period, taking effect in 2006. The vessel will be participating in securing the raw material supply for production facilities during the winter season. The vessel will be upgraded to ice-class, which will be done in the summer of 2006.

At the end of the first quarter, the department had covered 76% (2005: 78%) of the total known capacity for 2006 measured by ship days.

**The Dry Cargo Department's newbuilding programme as at 31 March**

| | Delivery | Ownership % |
|----------|------------------------------|-------------|
| Handymax | 3 rd quarter 2006 | 100 |
| Handymax | 1 st quarter 2008 | 50 |
| Handymax | 2 nd quarter 2008 | 100 |



Tanker

Market trends

In the first quarter, the product tanker market - measured by Baltic Clean Tanker Index (BCTI) - was 9% below the average for the same period last year. Compared to the very strong fourth quarter of 2005, the BCTI was 25% below. After a strong decrease towards the end of the quarter, the BCTI has recovered though and has through April increased by 37%.

The decrease in spot rates during the first quarter did neither have any impact on the period market nor on the vessel prices. 1-year T/C rates in the MR and SR segments were thus 9-10% above the same period last year. Likewise, the vessel prices were above the same period last year and almost unchanged compared to the last quarter of 2005.

A large proportion of the decrease in the spot rates can be attributed to normal seasonal factors such as refinery capacity shutdown due to maintenance and a reduced requirement to keep the high winter stocks before the summer season. This year, especially the maintenance requirement is considered to have been particularly demanding as many refineries have been operating with very high efficiency rates for a long time.

Additionally, a number of special factors have influenced the market during the quarter. The hard Russian winter caused reduced export of oil products from this region and a lot of added new tonnage to the market has furthermore contributed to the rate decrease. During the first quarter, new tonnage was delivered to the vessel segment 25-50,000 dwt, corresponding to 32% of the total expected number of deliveries for the year (source: Fearnleys).

The oil demand is still growing. IEA, who in January expected approximately 2% growth in oil demand for 2006, has lowered their expectations for the annual growth to 1.7%, approximately 85 mbd. However, this is still an acceleration from the growth in 2005, when the growth was 1.3%.

The main factors of the growth are still the demand in China and North America, respectively.

For the remainder of the year, NORDEN still expects the market to be marginally below the level in 2005 as the increasing addition of new tonnage to a large extent will be neutralised by increasing demand.

Financial highlights

In the first quarter of 2006, the Company's Tanker Department achieved a profit from operations (EBIT) of USD 12 million (USD 12 million). The profit does not include any profits from the sale of vessels.

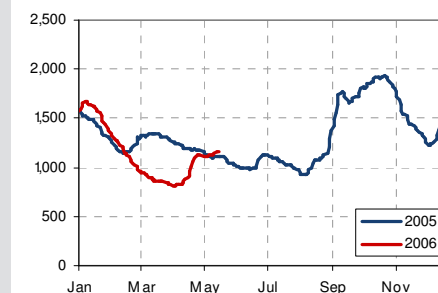
In spite of a worse market, the profit was at the same level as last year due to reduced vessels depreciation and increased earnings from joint ventures.

EBITDA decreased by 14% compared to the first quarter of 2005. The decrease can be attributed to the lower spot market and fewer ship days in the Aframax (-23%) and SR (-25%) segments as a consequence of the sale of tonnage in these segments in 2005.

Employment and rates, tanker

| | Number of ship days NORDEN | | T/C equivalent NORDEN | 12 months T/C average market | NORDEN T/C vs. spot |
|----------------------------|------------------------------------|---|-----------------------------|---------------------------------------|---------------------------|
| | Total number of ship days | Of which employed in the spot market | | | |
| 1Q 2006 | | | | | |
| Aframax | 270 | - | 20,433 | 33,846 | -40% |
| Product tanker - MR | 376 | 376 | 28,501 | 27,462 | 4% |
| Product tanker - SR | 585 | 451 | 23,667 | 26,308 | -10% |
| 1Q 2005 | | | | | |
| Aframax | 360 | - | 19,663 | 35,962 | -45% |
| Product tanker - MR | 360 | 360 | 32,476 | 25,192 | 29% |
| Product tanker - SR | 758 | 356 | 24,637 | 23,923 | 3% |
| 1Q 2006 vs. 1Q 2005 | | | | | |
| Aframax | -25% | - | 4% | -6% | |
| Product tanker - MR | 4% | 4% | -12% | 9% | |
| Product tanker - SR | -23% | 27% | -4% | 10% | |

Baltic Clean Tanker Index



*Fleet changes and employment*

| Fleet – Tanker Department | 2006 | 2005 |
|--|-------------|--------------|
| Active fleet | 31/3 | 31/12 |
| Owned vessels | 4 | 3 |
| Chartered vessels with purchase options | 3 | 3 |
| Core fleet | 7 | 6 |
| Chartered vessels without purchase options | 8 | 8 |
| Active total | 15 | 14 |
| Vessels for delivery | | |
| Newbuildings | 5 | 6 |
| Chartered vessels with purchase options | 10 | 6 |
| Chartered vessels without purchase options | 2 | 3 |
| For delivery total | 17 | 15 |
| Gross fleet total incl. newbuildings | 32 | 29 |
| Of which vessels with purchase options total | 13 | 9 |

The Company's Aframax tonnage is still employed on long-term charters. All MR product tankers are employed in the spot market, which also applies to most of the SR units. The Company is thereby maintaining the objective of securing stable and good earnings by combining the employment of the tonnage in the spot and period market.

Norient Product Pool had 6 newbuildings delivered in the period and operated 20 units at the end of the first quarter. The 2 pool partners have a total order book of 25 units for delivery up to 2008, 14 of which are expected to be delivered during the remainder of 2006.

The Company continues the controlled expansion of the tanker activities, and has during the quarter, chartered another 4 new-built MR units from Japanese interests with delivery from yard in the period 2009-2010.

At the end of the quarter, 55% (2005: 49%) of the known number of ship days for the rest of the year had been covered.



Expectations for the rest of 2006

Dry Cargo

The Dry Cargo Department expects to achieve an EBIT in the range of USD 115-125 million, including profits from the sale of vessels of USD 39 million.

Tanker

The Tanker Department still expects to achieve an EBIT in the range of USD 40-45 million. The expectations do not include any profits from the sale of vessels.

The Group

In 2006, NORDEN still expects a result in the range of USD 120-140 million, including profits from the sale of vessels of USD 39 million and a negative fair value adjustment of certain hedging instruments of USD 19 million.

Forward-looking statement

The report includes forward-looking statements reflecting the board of management's current perception of future trends and financial performance. The statements for 2006 and the years to come naturally carry some uncertainty and NORDEN's actual results may therefore differ from the expectations. Factors that may cause the results achieved to differ from the expectations are, among other things, but not exclusively so, changes in the macro-economic and political conditions – especially in the Company's key markets, changes in NORDEN's assumptions of rate development and operating costs, volatility in rates and ship prices, changes in legislation, possible interruptions in traffic and operations as a result of external events, etc. The interim report is not intended to be a solicitation to purchase or trade in shares in Dampskibsselskabet "NORDEN" A/S.

The report is published in the Danish and the English languages. In the event of any discrepancies, the Danish version shall be governing.



INTERIM REPORT FIRST QUARTER - THE GROUP

Statement

The Board of Directors and Management today reviewed and approved the interim report for the first quarter of 2006 of Dampskibsselskabet "NORDEN" A/S.

The interim report is prepared in accordance with the International Financial Reporting Standards (IFRS) and the general Danish financial requirements. In line with previous policies, the interim report is not audited.

We consider the accounting policies applied to be appropriate and the accounting estimates made to be adequate. Furthermore, we find the overall presentation of the interim report to present a true and fair view.

In our opinion, the interim report therefore gives a true and fair view of the assets and liabilities of the Group, the financial position as well as the result of the Group's activities and cash flows for the interim period.

Copenhagen, 30 May 2006

Management

Carsten Mortensen
President

Jens Fehrn-Christensen
Executive Vice President

Board of Directors

Mogens Hugo Jørgensen
Chairman

Alison J. F. Riegels
Vice Chairman

Erik G. Hansen

Einar K. Fredvik

Anton Kurt Vendelbo Christensen

Ole Clausen

Erling Højsgaard

Egon Christensen





Income statement

| USD'000 | 2006 | 2005 |
|--|---------------|---------------|
| | 1/1-31/3 | 1/1-31/3 |
| Freight income (revenue) | 254,856 | 343,501 |
| Costs | -220,123 | -284,245 |
| Profit before depreciation (EBITDA) | 34,733 | 59,256 |
| Profits from the sale of vessels, etc. | 25,146 | 19,465 |
| Depreciation | -4,419 | -3,957 |
| Share of result of joint ventures | 564 | -30 |
| Profit from operations (EBIT) | 56,024 | 74,734 |
| Fair value adjustment of certain hedging instruments ¹⁾ | 3,281 | 11,106 |
| Net finance | 2,522 | -3,938 |
| Profit before tax | 61,827 | 81,902 |
| Tax on the profit for the period | -7,099 | -1,541 |
| Profit for the period | 54,728 | 80,361 |
| Attributable to: | | |
| Shareholders in D/S "NORDEN" A/S | 54,704 | 80,098 |
| Minority share | 24 | 263 |
| Total | 54,728 | 80,361 |
| Earnings per share, USD | 25.19 | 35.88 |
| Diluted earnings per share, USD | 25.17 | 35.61 |

¹⁾ Specification of "Fair value adjustment of certain hedging instruments"

| | |
|--|---------------|
| Bunker hedging: | |
| Unrealised fair value adjustment for: | |
| 2006 | 3,879 |
| 2007 | 2,377 |
| 2008 | 826 |
| 2009 | 237 |
| | 7,319 |
| Realised fair value adjustment reclassified to "Costs"* | -2,588 |
| Total | 4,731 |
| FFA: | |
| Unrealised fair value adjustment for 2006 | |
| | 1,515 |
| Realised fair value adjustment reclassified to "Freight income"* | -2,965 |
| Total | -1,450 |
| Total | 3,281 |

*As the hedging instruments are realised, the accumulated fair value adjustments are reclassified to profit from operations in the same item as the hedged transaction. For further information see the section "Accounting policies" in the annual report for 2005.



Income statement per quarter

| USD'000 | 2006 | 2005 | 2005 | 2005 | 2005 |
|--|-------------------------|-------------------------|-------------------------|-------------------------|-------------------------|
| | 1 st quarter | 4 th quarter | 3 rd quarter | 2 nd quarter | 1 st quarter |
| Freight income (revenue) | 254,856 | 303,354 | 300,769 | 348,833 | 343,501 |
| Costs | -220,123 | -263,883 | -258,521 | -273,886 | -284,245 |
| Profit before depreciation (EBITDA) | 34,733 | 39,471 | 42,248 | 74,947 | 59,256 |
| Profits from the sale of vessels, etc. | 25,146 | 62,077 | 38,580 | -18 | 19,465 |
| Depreciation | -4,419 | -3,336 | -4,878 | -4,120 | -3,957 |
| Share of result of joint ventures | 564 | 166 | 258 | 7,883 | -30 |
| Profit from operations (EBIT) | 56,024 | 98,378 | 76,208 | 78,692 | 74,734 |
| Fair value adjustment of certain hedging instruments ¹⁾ | 3,281 | -1,182 | 3,570 | 12,471 | 11,106 |
| Net finance | 2,522 | 12 | -568 | -3,590 | -3,938 |
| Profit before tax | 61,827 | 97,208 | 79,210 | 87,573 | 81,902 |
| Tax on the profit for the period | -7,099 | -5,831 | -1,175 | -1,010 | -1,541 |
| Profit for the period | 54,728 | 91,377 | 78,035 | 86,563 | 80,361 |
| Attributable to: | | | | | |
| Shareholders of D/S "NORDEN" A/S | 54,704 | 91,355 | 78,016 | 86,549 | 80,098 |
| Minority share | 24 | 22 | 19 | 14 | 263 |
| Total | 54,728 | 91,377 | 78,035 | 86,563 | 80,361 |
| Earnings per share, USD | 25.19 | 42.06 | 35.91 | 39.75 | 35.88 |
| Diluted earnings per share, USD | 25.17 | 41.75 | 35.64 | 39.45 | 35.61 |

¹⁾ Please see previous page.



Balance sheet

| USD'000 | 2006 | 2005 | 2005 |
|--|----------------|----------------|----------------|
| | 31/3 | 31/3 | 31/12 |
| ASSETS | | | |
| Land and buildings | 4,045 | 4,131 | 4,069 |
| Vessels | 212,506 | 157,730 | 208,189 |
| Vessels acquired under finance leases | 26,808 | 27,525 | 26,808 |
| Prepayments on newbuildings | 80,650 | 34,232 | 95,557 |
| Fixtures, fittings and equipment | 4,478 | 5,167 | 4,786 |
| Investments in joint ventures | 19,247 | 10,022 | 18,338 |
| Other receivables | 3,850 | 0 | 3,850 |
| Non-current assets | 351,584 | 238,807 | 361,597 |
| Inventories | 14,939 | 2,716 | 21,849 |
| Receivables | 66,881 | 72,195 | 104,733 |
| Current account from joint ventures | 4,784 | 3,978 | 0 |
| Securities | 2,557 | 660 | 2,557 |
| Cash and bank balances | 337,504 | 200,240 | 312,384 |
| | 426,665 | 279,789 | 441,523 |
| Non-current assets held for sale | 17,753 | 45,584 | 18,411 |
| Current assets | 444,418 | 325,373 | 459,934 |
| Total assets | 796,002 | 564,180 | 821,531 |
| LIABILITIES | | | |
| Share capital | 7,321 | 7,321 | 7,321 |
| Retained earnings | 654,730 | 388,503 | 603,333 |
| Reserves | -1,315 | -4,304 | -1,730 |
| Equity (NORDEN's shareholders) | 660,736 | 391,520 | 608,924 |
| Minority interests | 2,303 | 2,224 | 2,279 |
| Equity | 663,039 | 393,744 | 611,203 |
| Provisions for docking costs (Bareboat) | 0 | 182 | 0 |
| Bank debt | 30,030 | 38,058 | 13,008 |
| Danish Ship Finance | 22,560 | 26,422 | 23,689 |
| Lease obligations | 22,875 | 23,902 | 24,442 |
| Prepayments received on vessels for resale | 3,850 | 0 | 3,850 |
| Deferred income | 3,032 | 0 | 4,271 |
| Non-current liabilities | 82,347 | 88,564 | 69,260 |
| Provisions for docking costs (Bareboat) | 494 | 0 | 416 |
| Current portion of long-term debt | 10,350 | 11,239 | 7,689 |
| Bank debt | 0 | 0 | 44,553 |
| Trade payables | 17,281 | 13,892 | 39,876 |
| Current account from joint ventures | 0 | 0 | 14,552 |
| Prepayments received on vessels for resale | 0 | 0 | 3,000 |
| Other payables and accruals | 22,491 | 56,741 | 30,982 |
| Current liabilities | 50,616 | 81,872 | 141,068 |
| Total liabilities | 132,963 | 170,436 | 210,328 |
| Total equity and liabilities | 796,002 | 564,180 | 821,531 |



Summarised cash flow statement - the Group

| USD'000 | 2006 | 2005 | 2005 |
|---|----------------|----------------|----------------|
| | 1/1-31/3 | 1/1-31/3 | 1/1-31/12 |
| Net profit | 54,728 | 81,146 | 336,336 |
| Reversal of items with no effect on available funds | -12,279 | -15,461 | -135,362 |
| Cash flows before change in operating capital | 42,449 | 65,685 | 200,974 |
| Change in operating capital | -8,628 | 43,251 | 43,712 |
| Cash flows from operating activities | 33,821 | 108,936 | 244,686 |
| Investments in newbuildings | -6,285 | 6,174 | -47,872 |
| Investments in vessels, etc. | -34,184 | -20,619 | -289,577 |
| Investments in subsidiaries | 0 | 0 | 0 |
| Investments in joint venture | -6,500 | 0 | -102 |
| Acquisition of securities | 0 | 0 | -1,709 |
| Sale of securities | 0 | 0 | 22 |
| Net proceeds from the sale of vessels, etc. | 72,776 | 19,672 | 349,344 |
| Cash flows from investing activities | 25,807 | 5,227 | 10,106 |
| Loan financing | -31,210 | -18,351 | -4,643 |
| Dividend paid to shareholders | 0 | 0 | -38,072 |
| Acquisition of treasury shares | -3,790 | -30,703 | -34,544 |
| Sale of treasury shares | 452 | 934 | 1,245 |
| Cash flows from financing activities | -34,548 | -48,120 | -76,014 |
| Change in cash and cash equivalents for the period | 25,080 | 66,043 | 178,778 |
| Cash and cash equivalents at begin-period | 312,384 | 134,982 | 134,982 |
| Currency rate adjustments | 40 | -785 | -1,376 |
| Change in cash and cash equivalents for the period | 25,080 | 66,043 | 178,778 |
| Cash and cash equivalents at end-period | 337,504 | 200,240 | 312,384 |



Statement of changes in equity - the Group

| USD'000 | Share capital | Reserves | Retained earnings | Equity (NORDEN's shareholders) | Minority interests | The Group's equity |
|---|---------------|---------------|-------------------|--------------------------------|--------------------|--------------------|
| Equity at 1 January 2005 | 7,321 | -7,347 | 338,142 | 338,116 | 1,961 | 340,077 |
| Value adjustment of hedging instruments | 0 | 3,043 | 0 | 3,043 | 0 | 3,043 |
| Net income recognised directly in equity | 0 | 3,043 | 0 | 3,043 | 0 | 3,043 |
| Profit for the period | 0 | 0 | 80,098 | 80,098 | 263 | 80,361 |
| Total income for the period | 0 | 3,043 | 80,098 | 83,141 | 263 | 83,404 |
| Acquisition of treasury shares | 0 | 0 | -30,703 | -30,703 | 0 | -30,703 |
| Sale of treasury shares | 0 | 0 | 935 | 935 | 0 | 935 |
| Share-based payment | 0 | 0 | 31 | 31 | 0 | 31 |
| Total changes in equity | 0 | 3,043 | 50,361 | 53,404 | 263 | 53,667 |
| Equity at 31 March 2005 | 7,321 | -4,304 | 388,503 | 391,520 | 2,224 | 393,744 |
| Equity at 1 January 2006 | 7,321 | -1,730 | 603,333 | 608,924 | 2,279 | 611,203 |
| Value adjustment of hedging instruments | 0 | 415 | 0 | 415 | 0 | 415 |
| Net income recognised directly in equity | 0 | 415 | 0 | 415 | 0 | 415 |
| Profit for the period | 0 | 0 | 54,704 | 54,704 | 24 | 54,728 |
| Total income for the period | 0 | 415 | 54,704 | 55,119 | 24 | 55,143 |
| Acquisition of treasury shares | 0 | 0 | -3,790 | -3,790 | 0 | -3,790 |
| Sale of treasury shares | 0 | 0 | 452 | 452 | 0 | 452 |
| Share-based payment | 0 | 0 | 31 | 31 | 0 | 31 |
| Total equity changes | 0 | 415 | 51,397 | 51,812 | 24 | 51,836 |
| Equity at 31 March 2006 | 7,321 | -1,315 | 654,730 | 660,736 | 2,303 | 663,039 |

**Statement of changes in equity - the Group (continued)**

| USD'000 | Share capital | Reserves | Retained earnings | Equity (NORDEN's shareholders) | Minority interests | The Group's equity |
|---|---------------|---------------|-------------------|--------------------------------|--------------------|--------------------|
| Equity at 1 January 2005 | 7,321 | -7,347 | 338,142 | 338,116 | 1,961 | 340,077 |
| Value adjustment of hedging instruments | 0 | 5,405 | 0 | 5,405 | 0 | 5,405 |
| Fair value adjustment of securities | 0 | 212 | 0 | 212 | 0 | 212 |
| Net income recognised directly in equity | 0 | 5,617 | 0 | 5,617 | 0 | 5,617 |
| Profit for the period | 0 | 0 | 336,018 | 336,018 | 318 | 336,336 |
| Total income for the period | 0 | 5,617 | 336,018 | 341,635 | 318 | 341,953 |
| Acquisition of treasury shares | 0 | 0 | -34,544 | -34,544 | 0 | -34,544 |
| Sale of treasury shares | 0 | 0 | 1,245 | 1,245 | 0 | 1,245 |
| Distributed dividends | 0 | 0 | -40,036 | -40,036 | 0 | -40,036 |
| Dividends, treasury shares | 0 | 0 | 1,964 | 1,964 | 0 | 1,964 |
| Share-based payment | 0 | 0 | 544 | 544 | 0 | 544 |
| Total equity changes | 0 | 5,617 | 265,191 | 270,808 | 318 | 271,126 |
| Equity at 31 December 2005 | 7,321 | -1,730 | 603,333 | 608,924 | 2,279 | 611,203 |