



NASDAQ OMX Copenhagen A/S
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Further sale of vessels and adjustment of expectations for 2009

NORDEN has agreed to sell further 2 vessels, which affects the expectations for 2009. Since other conditions affecting the expectations also have changed, and the Company at the same time is close to finishing the interim report for the first quarter, NORDEN finds it appropriate to give this update. The expectations for the operating profit (EBIT) for 2009 are narrowed down to USD 110-160 million.

Profits from the sale of vessels

NORDEN has exercised its purchase option on the Panamax bulkcarrier NORD JUPITER for the purpose of reselling the vessel, and today, the Company has entered into an agreement on selling NORD JUPITER for delivery to the new owners in the third quarter. In addition, NORDEN has sold the Handymax bulkcarrier NORD WHALE for agreed delivery to the new owners in May. The sale of NORD JUPITER and NORD WHALE results in total profits of approximately USD 15 million.

Consequently, NORDEN expects total profits from the sale of vessels of approximately USD 55 million in 2009, while the previous expectations on 15 April were approximately USD 40 million, and the initial expectations on 10 March were USD 25 million. The sale of vessels is expected to generate total proceeds of USD 344 million in 2009, and in addition to releasing cash and generating profits, the sale of vessels contributes to a more appropriate exposure of NORDEN to the markets considering that the Company takes delivery of 8 newbuildings and 4 long-term chartered vessels with purchase option in the rest of 2009.

Results for the first quarter 2009 (preliminary figures)

In the first quarter of 2009, NORDEN attained a net profit of USD 73 million, of which the main part comes from positive unrealised adjustments of the value of bunker contracts and FFAs for hedging of ship days and cargoes. The operating profit (EBIT) for the quarter was approximately USD 22 million, and both the Dry Cargo Department and the Tanker Department had positive operating income at EBITDA level as well as EBIT level. NORDEN's liquidity (cash and securities) was strengthened by USD 52 million to approximately USD 875 million at the end of the quarter.

The results are generally affected by the poor freight markets in both dry cargo and product tanker, but in addition to this, earnings in the Dry Cargo Department are also very negatively affected by



operating loss on a number of expensive Panamax units, which NORDEN chartered in the historically high markets in 2007-2008 at charter hire levels of USD 50,000 or more. The majority of these vessels have now been redelivered, which strongly contributes to the decrease in the Dry Cargo fleet's operating costs for the rest of the year.

In addition, earnings in the first quarter are affected by settlements with counterparties in the Dry Cargo Department and to a less extent by non-recurring costs as a result of shore-based cost adjustments (as disclosed in company announcement no. 2/13 January).

Expectations for 2009

Compared to 10 March when NORDEN presented its overall expectations for 2009, the following significant conditions have changed:

- NORDEN has renegotiated and settled several of the counterparty disputes in dry cargo which were deemed most critical based on an assessment of the counterparty's financial ability and will to fulfil their obligations. These settlements have created more certainty about the Company's expectations, but have on the other hand reduced expected contractual income in 2009.
- The disputes regarding cargo contracts which could not be settled have been referred to the court or arbitration by NORDEN, and with the prospect of these disputes potentially running for years, NORDEN has decided to remove the expected contractual income from these contracts from the expectations for 2009. Although it is only a matter of a few disputes, they amount to more than USD 100 million as the claim against Rusal Trading Int. is one of them.
- The product tanker market has developed considerably worse than expected. The spot rates in e.g. MR have dropped approximately 40% since the beginning of March, and similar drops in the forward rates affect the approximately 50% of ship days in Tankers in 2009 which have not yet been covered. This is estimated to impact earnings for the year (EBITDA) negatively by up to 50 million.

With the abovementioned settlements and disputes, the Dry Cargo Department has addressed the counterparty disputes known in the first quarter, and the Company has not experienced any new significant counterparty disputes after the end of the quarter. This reorganisation of the counterparty portfolio has – together with the high operating costs of the chartered Panamax vessels – negatively impacted the earnings of the Dry Cargo Department and the Company in the first quarter, which is expected to be the worst quarter of the year with respect to earnings. In the coming quarters, EBITDA in total for the Group is expected to improve.

Based on the above, NORDEN's expectations for 2009 are revised as follows:

- EBITDA is expected to be in the range of USD 100-150 million, whereas the expectations announced in March were USD 100-340 million.
- As mentioned, profits from the sale of vessels are expected to amount to approximately USD 55 million.



- EBIT (the operating profit) is expected to be in the range of USD 110-160 million against expected USD 85-325 million in March and USD 100-325 million on 15 April.

The expectations have been calculated on the basis of the capacity which is at NORDEN's disposal today. Any rulings by court or arbitration in NORDEN's favour in pending cases may affect expectations positively. On the other hand, it should be noted that the uncertainties in relation to the expectations continue to remain higher than usual due to the world economic crisis.

NORDEN will further qualify the expectations in the interim report for the first quarter, which will be presented on 26 May 2009.

Kind regards,
Dampskibsselskabet NORDEN A/S

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