



To the Copenhagen Stock Exchange
Nikolaj Plads 6
DK-1067 Copenhagen K

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General meeting in Dampskibsselskabet "NORDEN" A/S

Chairman Mogens Hugo Jørgensen's oral report from the ordinary general meeting in D/S "NORDEN" A/S as of today (25 April) at 11.00 hours is attached in full.

Besides reporting the very satisfactory 2004 profit of USD 264 million (DKK 1.6 billion), the chairman gives information not previously announced: (quote) ""NORDEN" has had a satisfactory start of the year. Profit for the 1st quarter is expected to increase slightly compared to the same period last year exclusive of sale of vessels. In the 1st quarter of 2004 we had no profit from sale of vessels, but in the 1st quarter this year we have achieved a profit of approximately USD 20 million" (unquote).

For comparison, "NORDEN" achieved a profit of USD 49 million in the 1st quarter of 2004 recognised according to IFRS.

Furthermore, Mogens Hugo Jørgensen informs that "NORDEN" is quite comfortable with its expectations for the whole year with a profit in the range of USD 250 million. Partly, as mentioned, the Company has had a satisfactory start of the year, partly USD 75 million have already been secured as profit from sale of 6 vessels during the year, and finally the Company's vessels are estimated to be in the right position to take advantage of the good market conditions for both dry cargo and tankers.

The chairman's report and the attached presentation can be seen from 11.00 hours on the homepage <http://www.ds-norden.com>. A web-cast of the general meeting will also be available here from 16.00 hours.

Further information:

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MOGENS HUGO JØRGENSENS REPORT AT "NORDEN" ANNUAL GENERAL MEETING ON 25 APRIL 2005

INTRODUCTION

Today, I would like to begin my report in a slightly un-Danish fashion. Because, when you look at last year's results, I quite frankly think it is completely appropriate to be excited and spell out that 2004 was an exceptionally good year for international shipping in general – and for "NORDEN" in particular.

At last year's annual general meeting, an annual report with a profit of DKK 392 million was approved – the best in the long history of the Company. Today, we present a profit which, translated into DKK, is four times higher: Close to DKK 1.6 billion.

This is, of course, a new record high, and we expect to more or less sustain the high level of earnings this year. In fact, the Company is in a phase when our special business model gives us more and more aces up our sleeves. We have to make the most of these. If we play our cards right, "NORDEN" will have many winners on our hand – even when the current, extremely high markets settle at a normal level.

Today, I will start by outlining the results for 2004 – overall as well as for the two segments. I will then talk about the added shareholder value and the remuneration of our employees and Management, followed by a mention of the generational change of Management and the highlights of our strategy. Finally I will talk about our expectations for 2005.

KEY FIGURES FOR 2004

First 2004 in highlights, since the year is already very well described in the annual report.

Revenue amounted to about USD 1.2 billion, and as we have decided to report in USD from 2004, I will generally be giving USD amounts. The growth rate of 144% is mainly due to two things.

One is that "NORDEN" began expanding its capacity on a major scale at the end of the nineties – particularly by entering into long-term charters with purchase options. More recently, we have also frequently chartered vessels on shorter T/C agreements, multiplying the number of vessels in operation. Measured in ship days, "NORDEN" increased its capacity by 33% in 2003 and by another 44% last year – almost doubling the capacity in two years.

"NORDEN" read the markets correctly, because in the second half of 2003 both the demand for transport and the freight rates started to rise dramatically. The freight rates in dry cargo did take a dive in the nervous second quarter of 2004, when China talked of dampening growth, but the rates quickly recovered and rose to new record highs. The other day, a Norwegian said that the markets are the highest since the Viking age, and there is something to it. The combination of a large number of ship days and very attractive rates is what has produced "NORDEN"'s high growth rate.



Last year, the dry cargo department had 46% more ship days at its disposal, and combined with the high rates, this resulted in a revenue increase of no less than 156%. Coal was by far the greatest type of cargo transported on our vessels. They transported almost 12 million tons - 2% of the world's total coal transports. Cement, minerals, iron ore and grain also weighed heavily – in more sense than one.

China takes a major part of the credit for the historically strong market. The country's rapid growth is in part carried by a continued increase in the industrial production. This requires raw materials, and in iron ore alone 1/3 of the world's transports were destined for China. Overall, China is now the third-largest trading nation, which makes it a major market for shipping companies.

China is important to "NORDEN", too. Last year, we called at a Chinese port approximately once every 10 days. But the Company's business on India is equally important – we called at Indian ports once every eight days, often transporting coal. We also have a major, stable business on the USA, transporting mainly cement, while outbound the vessels carry petroleum coke to South America, Europe and Asia, among other things. Japan is another important market. So our success does not depend on China, although our vessels do, of course, benefit from the fact that many shipping companies are tying up their capacity in transports to China.

We do not see any signs of a sudden slowdown in China because the foundation of the economic growth is so broadly based. But if the rate of growth should see a minor downturn – which we do not foresee in the short term – it is wise to remember that China's growth has slowed down twice in recent years, in 1989 and during the Asia crisis in 1997-98. Despite this, since 1981 China has seen an average annual growth rate of 9.4%. Last year, the growth rate was 9.5%.

The dry cargo department's operating profit was USD 234 million. The rise of 303% might have been greater if we had chosen to let all vessels operate in the spot market. But we did not, and we do not wish to do so. "NORDEN"'s aim is to obtain cash flows as predictable as possible and as robust earnings as possible. We are constantly looking to reduce our vulnerability to market fluctuations, wherefore a suitably large proportion of the vessels are operated long term at reasonable terms with good, solid customers. We want to be able to sleep at night.

The strategy of long-term charter meant that "NORDEN"'s daily earnings were slightly lower in the Handymax and Panamax segments than if we had operated solely in the spot market. I say slightly lower, but still at a very high level. Indeed, the rates of "NORDEN"'s daily earnings in the main segment, Handymax, was up by 89% while the daily earnings in the spot market rose by 91%.

In Capesize, however, we were premature in contracting long term, and missed out on the market upturn. But we only had two 2 Capesize vessels, and we have since put this mistake right. The Capesize fleet has been extended with an additional vessel, another will be delivered next month and a fifth in 2007. The four active vessels have been contracted for three years in the high market, and the segment will therefore contribute positively to our future earnings.



The tanker department also had a very good year with 31% more ship days than the previous year, employed at increasing rates.

The tanker market is also benefiting from China's growth and rising oil consumption. In the USA, consumption was not far behind and the global economic growth provided a solid foundation for the market. Oil is transported over long distances, and this trend is becoming even more apparent as new refineries are planned mainly in the Middle East and China, while the western countries have the largest consumption. As a result, both crude oil and refined products have to be transported over longer distances, which is to the advantage of shipping companies'.

"NORDEN"s Aframax crude oil tankers are operated in fixed long-term TC agreements for major oil companies. Our SR and MR product tankers are today operating almost exclusively in the spot market in the new product tanker pool, which I will get back to later.

The tanker department's operating earnings rose by 155% to USD 43 million.

Going back to the overall income statement, "NORDEN" sold vessels at an accounting profit of USD 50 million. Trading in vessels is an integral part of the Company's business. Even though the strategy is to expand the fleet, we are still taking a realistic view of the situation to determine when it is wise to take profit by selling vessels in the high markets.

Including profits on the sale of vessels, "NORDEN" realised an operating profit of almost USD 270 million and a profit margin – earnings in proportion to sales - of 23% against 15% last year. The net profit was USD 264 million. This is highly satisfactory and slightly above the forecast from November, when we expected a profit of USD 260 million.

Cash flows from operations almost tripled to USD 190 million. Even though the Company spent considerable amounts on investments in vessels, dividends and debt repayment, the liquidity still improved by USD 75 million. Cash funds at the end of the year amounted to USD 136 million, exceeding interest-bearing debt by USD 18 million. The Company is in reality debt free and is – also financially – well equipped for the future.

VALUE GENERATION

At the latest general meetings, I mentioned value generation as "NORDEN"s guiding star – how, by making a difference for the good of our customers, partners and employees, we also generate value for our shareholders.

One measure of the long-term generation of value for the shareholders is that "NORDEN" has in the past five years more than quadrupled its equity to just over USD 336 million. And the Company has increased the return on the growing equity throughout the period – from about 22% five years ago to 101% last year.

Another measure is the share price. "NORDEN"s share is among the absolute high performers on the Copenhagen Stock Exchange, having increased by an average of 97% annually over



the past five years. Over three years, the price has increased by 118% per year. And this positive trend is continuing this year with a price increase of about 25% to around 3,400.

The total generation of shareholder value last year – in the form of dividends and share price increase – was 130%.

The shareholders' direct cash return – the dividend – has also increased. After having rested at a level of around DKK 10-12 for some years, it was decided at last year's annual general meeting to increase the dividend to DKK 100, which was a perfectly natural gesture marking the higher earnings achieved in 2003. In 2004, we saw a veritable quantum leap in earnings, and therefore the Board of Directors today proposes an ordinary dividend of DKK 100 in addition to the extraordinary dividend of DKK 175 distributed in October.

With a total dividend of DKK 275 per share, we are returning around 40% of the net profit to the shareholders. The Board of Directors is always seeking the right balance to ensure a high dividend for the shareholders, while the Company maintains the financial power to pursue its objectives as well as a healthy buffer to fall back on once the markets find a normal level.

REMUNERATION

In 2004, the amount used by the Board of Directors for bonuses for employees and Management equals less than 3% of "NORDEN"s net profit.

We pay out bonuses to ensure that we keep the engines running at full speed - that managers and employees are focused on generating value for the Company, the customers and the shareholders. We pay out bonuses as a well-earned recognition of the exceptionally good results achieved by the employees. And we pay out bonuses because the shipping industry essentially is international, and performance pay is customary in the shipping companies that we are competing against in attracting and retaining the best employees.

Last year, the employees received bonuses amounting to six months' salary, while special bonus amounts were paid to managers and selected employees – including the Management. For Management, the total remuneration paid to the three members amounted to USD 3.5 million, while the remuneration distributed on two members last year amounted to USD 1.1 million. As the fixed salary is more or less the same, the increase largely represents bonuses. It is a lot of money, but it is well deserved, and the Board of Directors is actually happy to pay these bonus amounts because they directly reflect "NORDEN"s massive performance improvement with a quadrupled profit.

Incentive programmes are part of "NORDEN"s remuneration. Our employees and executives should have a fair market salary, but they should also have an incentive to make an extra effort – either in the form of a bonus or in the form of share options. "NORDEN"s option programme from 2001 covering 15 people has been terminated, as you know, and the last options were granted in 2003. The Board of Directors is therefore considering a new programme, and we will present the result of these considerations to you at next year's annual general meeting.



Let me wind up this section on salaries and remuneration by referring to note 6 on page 58 of the annual report. It shows that the remuneration to the Board of Directors has doubled to USD 0.5 million. The emoluments are unchanged – stated in DKK, ordinary board members receive DKK 175,000 and the Chairman receives 2.5 times this amount. But in addition to the emolument, DKK 1.2 million has been paid to two board members for special work in connection with "NORDEN"'s change of Management. This explains the total increase in remuneration.

CHANGE OF MANAGEMENT

The change of Management: As I told you at last year's annual general meeting, in the spring of 2004 the Board of Directors began preparing for the generational change which was to take place when the President, Steen Krabbe was due to retire in the summer of 2005. We were doubly comfortable with this process. For one thing, we had a year to prepare everything. And we had already found Steen Krabbe's successor.

He was Carsten Mortensen, Senior Vice President in charge of the dry cargo department. Carsten joined "NORDEN" in 1997 and has been a key figure in the Company's extraordinary development. When Carsten joined "NORDEN", the Company had 25 employees at one office in Copenhagen and operated 21 vessels. Today, we have more than four times as many land-based employees, six offices, the fleet is six times larger and revenue is almost 12 times higher. "NORDEN" is a different company, and Carsten has contributed to this transformation with his enthusiasm, vision, focus and professional competence.

On 1 June, we included Carsten in the Management group and at the same time we appointed the former general manager, Jacob Meldgaard, as senior vice president and head of the dry cargo department.

Sadly, we were not to have the gradual generational change over a whole year, because on 12 January this year Steen Krabbe passed away after a long illness. Steen headed "NORDEN" for almost 17 years and was known and respected for his competence, his pleasant personality and his results. "NORDEN" developed into a major shipping company based on values which very much reflected Steen's own; focus on the customers, humility, reliability, thoroughness and respect for other people and other cultures. Steen is no longer with us, but his values will continue to pervade "NORDEN".

One of Steen's qualities was that he was good at allowing young people to try their hand and give them room to prove their worth. Carsten Mortensen, Jacob Meldgaard and fortunately many others seized this opportunity, and as a result "NORDEN" today has a highly talented and competent workforce and Management group.

After Steen's death, the Board of Directors appointed Carsten Mortensen as the new President, and he and Jens Fehrn-Christensen, Executive Vice President and CFO now constitute the Management.



STRATEGY

In the autumn, the Board of Directors set out the plans for "NORDEN" for the coming three years. Overall, we will follow the course mapped out since 1997-98: The fleet is to be expanded in a controlled manner and the momentum is to be maintained, but at the same time "NORDEN" must manage all risks strictly and act for the long term.

"NORDEN" does not risk overexposing itself at the top of the market by having to purchase vessels or order newbuildings at the present high rates to ensure future capacity. We do not have to. Over the past few years, we have built up a large core fleet, primarily of vessels on long-term charters, and on by far the majority of these we have secured options to purchase the vessels and/or extend their leases beyond typically five to seven years.

"NORDEN" today holds purchase options for 52 vessels – probably more than any other shipping company. The vast majority of these options were acquired in years when both freight rates and the prices of vessels were considerably lower than today. This means that "NORDEN" is able to expand its fleet at prices which are low by today's standards. And we can afford a large drop in freight rates as well as in the price of vessels before these options lose their value.

We can exercise these options if it is attractive and there is a need for it. But we can also refrain from exercising them. The options-based business model gives "NORDEN" an immeasurable flexibility and major opportunities to expand the fleet on favourable terms. Over the next couple of years, we expect to double our core fleet from 36 active vessels at year end to just over 50 vessels in the dry cargo department and 20 vessels in the tanker department.

This means that "NORDEN" will own more vessels. As a general rule, we will purchase these vessels cash in order to invest "NORDEN"s cash funds in a sensible, value-generating manner. By purchasing cash we also generate a significant unmortgaged value which can be mortgaged if need be and which, combined with our significant financial strength, allows us to take advantage of the investment opportunities that will arise when the market turns around.

A larger fleet does offer economies of scale as well as flexibility. We are seeing this in dry cargo, where "NORDEN" in the Handymax segment is among the three to five largest operators – nearer three than five. We generally assess that "NORDEN"s dry cargo fleet last year transported 1.2% of the global cargo volumes.

We will also seek to obtain such economies of scale in the tanker department, and the means to this end is very much the new pool, NORIENT Product Pool, which we have set up along with the Cypriot shipping company INC. By letting our and INC's product tankers be chartered and administrated in one pool from Copenhagen and Singapore, we are giving the market a wider choice, larger geographical cover and greater flexibility.

The pool was launched on 1 January with 18 SR and MR product tankers, and the objective is to have 40 vessels in a few years. The pool is open to other shipping companies that share "NORDEN"s and INC's vision of safe, reliable transport in modern, double-hulled tankers.



The tanker department needs a boost and to gain a stronger position in "NORDEN"s books. We have very skilful people and a good name in the market, and we must build on this.

Generally speaking, "NORDEN" will maintain focus on our major, good customers and service these in the best possible way. We will also keep reducing risk through long-term charters of a large proportion of the fleet, and we will be careful in choosing the business we accept. "NORDEN" is not going for short-term gains. The Company has existed for 134 years. We plan to remain around for at least as long. This aim requires that we act for the long term, in a sound and responsible manner.

While expanding our fleet, we will take advantage of the very high markets to sell vessels – when this is attractive – to take profit and ensure earnings and cash flows. Until now, we have sold six vessels for delivery in 2005 at a profit of USD 75 million. The sales do not mean that we are reducing our fleet. On the contrary. But "NORDEN" does not need to own steel to be a major operator. Economies of scale can also be obtained through a core fleet of long-term charters and owned vessels combined with vessels on shorter T/C.

The Company is also investing in IT platforms and systems, in developing the employees and in strengthening the technical department so that it is able to handle a larger fleet. So we do still want growth. But we are stepping lightly on the accelerator and are ready to hit the brakes if the markets develop unfavourably. The aim is to ensure robust earnings by maintaining the present up side as long as possible – and to control the down side once the markets turn around!

The starting point of our strategy is that "NORDEN" is an independent, listed shipping company. We are happy to enter into alliances, collaborations and – in a slightly longer perspective – also acquisitions, but it is as an independent company that "NORDEN" is best able to entertain our special business model and benefit from the critical mass we have already obtained in dry cargo and which we are building in the tanker department.

In our work with "NORDEN"s strategy – as in all other matters – we must ensure that the Board of Directors continually possesses the right competences. It is difficult to add international shipping expertise to the Board of Directors, because we are reluctant to open all our books to our competitors. But now we have the opportunity. The Board of Directors today proposes the election to the Board of Directors of Einar Fredvik, Managing Director of the Norwegian Rasmussengruppen, which formerly had extensive shipping activities and today is a major group of companies based in Kristiansand.

Rasmussengruppen became a shareholder in the autumn when the company acquired Attransco's shares as well as a smaller holding from "NORDEN"s shareholder and supporter of many years, Mototramp. At the time, Rasmussengruppen declared – and have since repeated – that they have invested in a stake in "NORDEN" as an independent, listed company. We therefore look forward to Einar Fredvik contributing to "NORDEN"s development with his experience, views and competence. Later today, you will get a proper presentation of Einar Fredvik.



Let me conclude this report with our expectations for 2005: The dry cargo department started the year with 22,921 ship days – the highest number ever – and 71% of the ship days were employed throughout the year at attractive terms. The department is continually assessing when it is best to increase capacity by entering into short-term charters. The market is very strong at the moment, and we expect a highly favourable market for the remainder of the year – albeit not quite as favourable as 2004, which was out of the ordinary. We also expect a greater volatility, where individual events can make freight rates rise or drop briefly. But with our business model, "NORDEN" is fairly impervious to such fluctuations and the dry cargo department is therefore set to achieve a highly satisfactory performance.

The tanker department started the year with 5,235 ship days, also the highest ever, and with 36% of the capacity employed. We have chosen a slightly different profile for the tanker department in that product tankers mainly operate in the spot market via the new NORIENT Product Pool – in order to benefit from the attractive markets as well as from the economies of scale in the Pool. The tanker department will also add new capacity when it is attractive to do so, and the department also currently assesses whether the cover should be increased. We expect the tanker department to realise a good performance in a market that is favourable, albeit not as outstanding as last year and slightly more volatile.

Overall, this means that "NORDEN" expects a profit in the region of USD 250 million. We are quite comfortable with this expectation. For one thing, USD 75 million has already been secured by the sale of six vessels during the year, and in addition we are in a good position to benefit from the favourable market conditions. Finally, the year has begun in a positive way. The net profit for the first quarter is expected to be slightly higher than during the same period last year, not including the sale of vessels. But where we had no profits from the sale of vessels during the first quarter of 2004, the first quarter of this year has seen profits of about USD 20 million.

The Board of Directors and Management are eager to make the most of the year 2005, while at the same time keeping an eye to the future. The decisions we make today – at the top of the market – must help ensuring that "NORDEN" remains successful once the markets reach a normal level!

I thank Management and staff for a good, professional and committed contribution in 2004. And I thank the shareholders for your attention here today.